

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



JUNE 1950



Skyline of Minneapolis (page 1)

Milestones in Banking Education

(pages 40, 42, 47)



ROBBERY OF THE FIRST NATIONAL AND CONDON BANKS,
COFFEYVILLE, KANSAS, OCTOBER 5, 1892

THE TWO-IN-ONE BANK ROBBERY

Guarding the golden harvest of one of Kansas's most prosperous farming regions, the two banks faced each other across Coffeyville's triangular Plaza. Nearby, Drayman Charlie Gump sunned himself and watched idly as five armed men (no novelty in that time and place) strode from an alley across the way. Suddenly, three wheeled into the Condon Bank — the two others headed for the First National. Gump shrilled the alarm and took a bullet in the hand as he scuttled for cover.

Inside the First National, the two bandits found smooth going. Bundling some \$20,000 into a sack, they dodged out the back door just as startled citizens began to pump lead at the two banks. Miraculously, they reached the horses, but turned to cover the others.

The Condon Bank was tougher. Cashier Charley Ball bluffed coolly — claiming his wide-open vault would be on a time-lock for three more minutes. The clock ticked . . . one minute, two. Nearly a hundred bullets crashed into the bank. The bandits decided to call it off and broke for the door.

But the embattled citizens now had the guns,

the vantage points, the range. Four robbers fell in the deadly hail. The fifth, terribly wounded, lived to serve his sentence and write his account of this daring two-in-one bank raid. His name: Emmett Dalton, last of the frontier's fabled Dalton gang.

* * *

Bandits today rob banks one at a time and more quietly. They find — in modern law enforcement and protective devices — enemies equal in mettle to the fighting citizens of Coffeyville. But robbery remains a serious hazard — as do embezzlement, fire, liability and other risks.

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BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



This month's cover picture is a painting of the Minneapolis skyline by Clarence R. Chaney, chairman of the A.I.B. 50th Anniversary Committee and vice-chairman, Northwestern National Bank, Minneapolis. It was painted especially in honor of the A.I.B. Anniversary observance this year. For the A.I.B. story, see pages 40-43 and 82.

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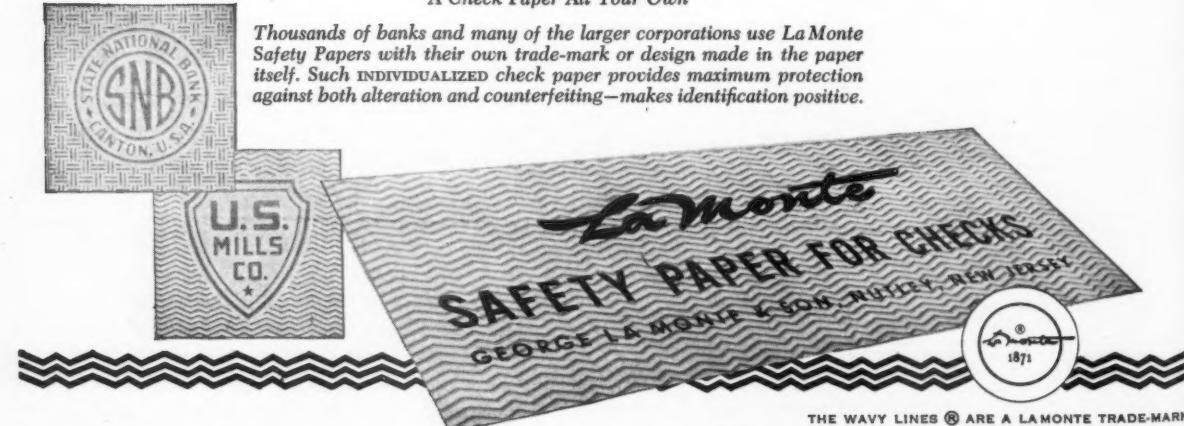


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just a minute

Minneapolis in June

A WORD about our cover. The attractive water color is one of CLARENCE R. CHANEY'S contributions to the American Institute of Banking's Golden Jubilee festivities.

Talented Mr. CHANEY, who paints for fun, is an A.I.B. man of long standing (a former national president, among other things) and he painted this picture especially for the Institute. It will appear, in full color, at the Minneapolis convention this month, although the form of its appearance is a secret that won't be disclosed here. But the delegates will (to coin a phrase) be pleasantly surprised.

To those who don't know Mr. CHANEY may we say that he is vice-chairman of the board of the Northwestern National Bank, Minneapolis, and chairman of the Institute's busy Fiftieth Anniversary Committee. For many years he was an intimate friend of the late JOSEPH CHAPMAN who, at the Northwestern, organized

a bank clerks' study group a couple of years before the Institute was established by the American Bankers Association.

Painting has long been Mr. CHANEY'S avocation. BANKING's cover, an excellent example of his style, speaks eloquently for his skill.

A Picture Gallery

BANKING is rather proud of a portrait collection it assembled for this issue. On pages 42 and 43 you'll find pictures of 28 of the 30 living past presidents of the A.I.B. In first place of course comes FRED I. KENT (1903). And we added HARTWELL F. TAYLOR, this year's chief executive.

Most of these men, incidentally, will attend the convention, which will accord them special honors. Mr. KENT is to be a speaker; in fact, the KENT family representation at Minneapolis will extend into the fourth generation, the youngest member being the first A.I.B. president's great grandchild.

For historically minded readers, there's the story "50 Years, 31,000 Graduates" (page 40) which recalls the Institute's background, its uniqueness, and its first curriculum.

The G.S.B., Too

BIRTHDAY greetings go this month not only to the A.I.B. but to the

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"Then he said, 'You work in a bank, Anne. Why don't you pick up the check just once?'"

G.S.B. It was 15 years ago come mid-June that The Graduate School of Banking, an advanced study program conducted by the American Bankers Association, opened its first resident session at Rutgers University.

The registration in 1935 was 220 men; the faculty numbered 11. For the 16th session, commencing June 19, the School will have a student body of approximately 1,000 (the maximum number that can be accommodated) and a teaching staff of 60.

BANKING recalls the G.S.B.'s graduates in a picture sequence, pages 47-51.

This Business of Government

THE president of The First National Bank of Philadelphia, HARRY C. CARR, had this to say at his bank's annual discussion meeting, arranged for correspondents:

"We are faced with a future which is largely dependent upon what government will do, and we are not taking part in government. It is time that we came back and accepted the responsibilities of government—and by government I do not mean politics. If we try we can influence those people in government positions, if we do it conscientiously and fairly.

"If we will resolve to take a greater share, a greater part, in this question of government, we will find that it is the best way to regain our freedom which we are gradually losing.

"The paralysis of activity which (CONTINUED ON PAGE 6)

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This, in turn, brings in the help of county, state, and federal agencies with their experience and facilities, but always keeping control entirely in the hands of the owners and operators.

It is democracy in its purest sense — the working together of many for the benefit of all.

Using land to best advantage through

woodlots, pastures, strip cropping, contouring, is both good business and good farming.

It saves our land, the basis of all wealth, to be handed down to our sons and their sons in as good, if not better condition than when we received it. It also pays dividends here and now — dividends in the form of bigger yields and greater profits. And more often than not, in easier, faster planting, cultivating and harvesting.

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JUST A MINUTE—Continued

has crept up on us in the last 17 years, with further and further encroachment of government in business, has come about partially through the request and acquiescence of the individuals concerned. The banks themselves may be blamed to a certain degree because of their desire for support of the Government bond market and for Regulation W."

Postal Guide Tour

THIS vacation tour for bankers is suggested by C. A. TILGHMAN of Smyrna, Delaware:

Coin, Iowa; Nickelsville, Virginia; Dime Box, Texas; Dollar Bay, Michigan; Cashtown, Pennsylvania; Golddust, Tennessee; Bond, Kentucky (also Colorado and Mississippi); Dividend, Utah; Check, Virginia; Deposit, New York; Monie, Maryland; Money, Mississippi; Day Book, North Carolina; Ledger, Montana; Cashiers, North Carolina; Banks, Alabama; (also Arkansas, Idaho, Kentucky, Mississippi, North Dakota, and Oregon).

You'll find *Cash* in Arkansas, Kentucky, Texas, and Virginia, and *Cash Corner* in North Carolina.

"Kid Bankers"

THE Sunday newspaper magazine *Parade* gave a page recently to banking facilities for youngsters. Illustrated with pictures taken in the Cleveland Society for Savings' (CONTINUED ON PAGE 11)

" . . . and before I forget, you'd better put longer tapes in this machine. I think this one ran out a couple of minutes ago"





The ingenious crow, unable to reach the water in the deep pitcher, filled it with pebbles one by one until the water was raised to where he could satisfy his thirst. Today a similar strategy is at work in our country. Bit by bit the "economic planners" are adding to the power and functions of government. Controls, subsidies and government competition are stifling our individual initiative and destroying our free economy. Unless we and our elected representatives reaffirm the doctrines of self-reliance and free enterprise upon which this nation was built, the level of state socialism will surely be reached.

Thomas Babington Macaulay in 1830 said, "Nothing is so galling to a people not broken in from the birth, as a paternal government...a meddling government which tells them what to read and say and eat and drink and wear."



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"Isn't that cute? Mommie's little man has overdrawn his own little bank account *already!*"

department for children, the story, "Kid Bankers," mentioned several other cities that have children's banks.

"But with or without special banks," it added, "U.S. kids are great bankers. There are some 2-million schoolkid depositors. Last year alone they deposited \$16,500,000, and the total amount of nickels, dimes and quarters they now have on deposit is roughly \$50-million!"

By the Way . . .

A QUINCY, California, banker sent us a check for a foreign subscription.

"You will be pleased, I am sure," he wrote, "to know that BANKING has been chosen by one of our English teachers in Japan for her adult class to read and discuss. I have been asked to have the magazine made available."

Our new subscriber lives in Fukuoka, Kyushu.

The Union Bank of Switzerland now uses bill straps made according to suggestions offered by the A.B.A. Bank Management Commission's booklet, "Standards for Currency Straps, Coin Wrappers, and Packaging." Samples of the Swiss wrappers were sent to the Commission by the bank's New York representative, W. H. STALDER.

The Louisville & Nashville Railroad, which is having a centennial this year, used a postal cachet to help celebrate its hundred years.

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The cancellations, appropriately, were by Railway Post Office—and 10,750 of the stamps were the A.B.A. 75th anniversary commemorative.

The Banking Business

MAPLE T. HARL, chairman of the FDIC, reported that 1949 net profit of the 13,436 insured banks was \$831-million after deduction of \$325-million in income taxes. The total was only 8 percent under the record 1945 level.

More than two-fifths of the 1949 profit was paid out in dividends and interest; stockholders got a return of 3.4 percent on their investments, the best rate since 1941. They benefited also, Mr. HARL pointed out, "by the \$477-million of profits retained in capital accounts."

"Even more noteworthy," the report added, ". . . we are now completing our sixth year in which there has not been a receivership of an insured bank, or a dollar's worth of loss to a single depositor in an insured bank. This marks an all-time peak in the nation's history for bank solvency and depositors' safety."

Thank You, Mr. Brown

A PUBLICATION always welcome in BANKING's office (and other places, too, we'll wager) is the *ABA Newsletter*. In this case the initials stand for Alaska Bankers Association, whose secretary is HARVEY BROWN, cashier of the Bank of Sitka.

Mr. BROWN has written a piece or two for us; the *Newsletter* is entirely the product of his nimble typewriter.

Our attention was particularly attracted to his April or Convention issue, perhaps because this magazine was mentioned. For instance:

"She's not like other women who nag for diamonds and furs. She just wants money."



"There you are. I suppose you know this will bring your husband in to make a scene again!"

"On page 40 of BANKING there is a good article on How to Write Effective Letters. Despite what you fellows might think after reading the stuff in our 'Newsletter,' I, too, believe that it is good to avoid repetition, hackneyed phrases, etc."

Mr. BROWN offers these specimens of brief, pointed letters reminding a borrower of a loan payment:

Mr. Joe Jones

City

Dear Joe:

Well ? ? ?

Very truly yours,
ABE BLINK, V.P.

Mr. Joe Jones

City

Dear Joe:

Working again, huh? How's about it? ? ?

Yours very truly,
ABE BLINK, V.P.

"Bankers in the States," observes Mr. BROWN in another item, "sometimes wonder how we can get away with making so many character loans."

"That's easy: We've got more characters."

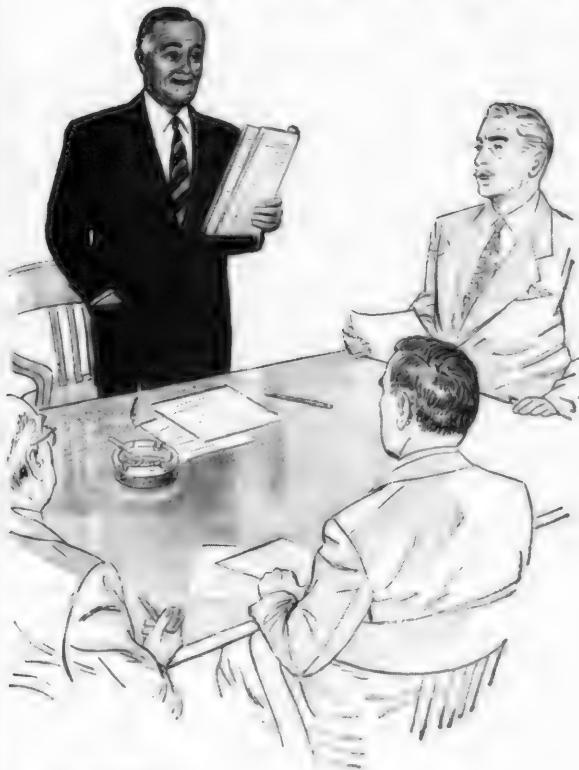
And: "The sun was shining the other day, which explains, perhaps, why one of our customers walked into the bank singing:

"I want a loan . . . Just like the loan That carried dear old Dad . . . ?"

J. L. C.

BANKING

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MONTREAL

RESOURCES EXCEED \$2 BILLION



CUSTOMERS of our bank for many years, this rather queer old couple were firm believers in not "letting the left hand know what the right hand does," even in business matters. They consulted their safe deposit box often and apparently had no confidence in the bank's assurance that the box could not be opened without the use of one of the two keys which they alone held, for, in addition to the regular lock, they installed a bright and shiny brass padlock, "just to make sure," they explained. Poring over the contents of the box, if any one came within 10 feet of them, they would quickly duck their heads and spread their arms over its open top, fearing "snoopers."

A week or so ago they paid a brief visit to the safe deposit vault. The wife sought out the cashier, while the husband took a remote seat in the lobby. The old lady explained that she wanted to open an account, and since the officer knew that a substantial one had been opened by them sometime before, he said, "But don't you already have an account? I seem to remember that you opened one."

"Oh, yes," was the reply, "but we closed it."

"I hope it was not through any fault of our bank's that you closed it," said the cashier.

"Well, it was and it wasn't," was the reply. "You sent our statement by mail over to our town and the postoffice made a mistake and delivered it to somebody else and they opened it and when we finally did get it, we knew someone had seen our cancelled checks and knew what our bank balance was. We didn't like that and we decided we could stop it from ever happening again by closing the account. We never could find out who it was that opened our statement and it worried us thinking that someone knew so much about our business."

"But it's a saving account I want to open today," she continued. "You

don't mail statements on those, do you?"

"No," replied the cashier, "there need be no correspondence at all about a savings account. You just present your passbook when you deposit funds or withdraw them, and it is all handled right then. How much did you want to deposit?" He was expecting a rather substantial account, in view of the size of the one which had been closed, and it was rather a surprise to find that the opening deposit would be \$250.

"Is that all you're going to deposit in our bank?" he rallied her. "Your other account was much larger."

"Well, I could put more in it—in fact I've got \$2,500 in cash along with me today, but I guess I'll just keep that—I feel safer with my money in my own possession."

The cashier preached a little sermon about the dangers of carrying large sums of money and urged her, if she did not want to deposit the money, at least to put it in her safe deposit box.

She gave him a sly little smile and said, "Oh, I have it well hidden. I'm always carrying a lot of money around with me. Last summer when we drove to New York I carried \$5,000 in cash all the way."

"Don't you know that if you had an accident, in all probability the first person who reached you would have taken the money?" warned the cashier.

"Oh, no, he wouldn't," said the customer, with a sidelong glance, "I keep it in a very safe place."

Looking cautiously about the lobby, she made a gesture toward the front of her blouse and said, "I just roll up the bills and hide them away and every place I go, they go. I'm not worried a bit about losing the cash I carry. And it improves my figure, too."

And out she walked with her passbook showing the \$250 entry, and her \$2,500 in cash in its hiding place.

BELLE S. HAMILTON



BANKING

MORE AND MORE PEOPLE...



...are buying all-electric homes under the "PACKAGED MORTGAGE" PLAN!

THE TREND TOWARD financing kitchen and laundry equipment through the "Packaged Mortgage" plan is so popular and realistic that we believe it deserves your every consideration.

You know that more and more prospects *want* a house that offers them an all-electric kitchen.

But—there's one big question in their minds: "Can we afford it?" And the big answer is: "YES! Under the Packaged Mortgage plan!"

As you perhaps know, under the easy-to-sell "Packaged Mortgage" plan, the home buyer adds just a few dollars extra a month—usually *about \$4.80*—to the regular home mortgage.

That pays for the kitchen completely because it's a basic part of the house and part of the price, too!

No short-term obligations

The day the new owners move into a General Electric equipped home, their kitchen planning problems are over—because there is nothing else for them to buy.

The homeowner need not burden himself with short-term payments on kitchen appliances. He need not assume obligations that may interfere with his regular

mortgage payments. He becomes a more satisfied and willing mortgagor.

Furthermore, the economical operation, low maintenance and long life of General Electric appliances may offset the slight increase in monthly payments. Your interests are protected, too, because it's a truly up-to-date house—one the homeowner is proud to maintain.



Remember: More and more people are buying all-electric homes under the "Packaged Mortgage" plan.

Why not plan on having General Electric kitchen-laundry equipment included in the "Packaged Mortgage"? We think you will find it very worthwhile—just as so many other bankers do!

You can put your confidence in—

GENERAL  **ELECTRIC**

History Lives Downstairs

WHEN you go downstairs in The National Bank of Commerce at Wellington, Kansas, you're in a museum. It's not a scrawny, undernourished museum, with great open spaces between exhibits, but a fat, robust museum where a bit of Americana hobnobs with Dresden china or a shrunken Indian head from Ecuador.

Right away you ask President George E. Harbaugh, "How come?" And if he counters, "Well, can you think of a better piece of advertising?" you're stuck—because, offhand, you can't.

The project was started in the bank's basement about a dozen years ago as a community enterprise—and as a drawing card for the National. The city furnishes the electricity, local merchants donate the showcases, the public lends the exhibits. "Public" means not only Wellingtonians; treasures from many states are on display.

To maintain local interest, the bank keeps one of its windows, facing the town's main street, filled with items from the collection. There are so many things to choose from that it's no chore to pick out a windowful of relics bearing some relation to

each other, and to arrange them as bait for a visit to the main show downstairs.

Want to take a look around? The more fragile exhibits are kept in cases, but you'll want to walk gingerly, even so, lest you upset that old tandem bicycle or brush an ancient buffalo bone from a table.

Keep your eyes peeled; otherwise you'll miss something, although not, of course, the surrey with the fringe on top, the venerable Pope auto (wooden fenders, single cylinder, rear door), or the bicycle built for two. Other items in the transportation category are the chainless bike (pride of the early 1900s), the old ice and roller skates, the side saddles.

Going much further back into America's past are the powder horns, guns, carpet bags, Indian relics, colonial shoe and knee buckles, rawhide lariats, haircloth furniture, checks of G. Washington, A. Lincoln, A. Jackson, and B. Young. A large collection of fans, many kinds of choice foreign china, a chime clock of Italian Renaissance design, spinning wheels, baby buggies, a hand-lettered sixth series Confederate 6 percent war bond with



A large (57 inches tall) cuckoo clock in the bank museum

three coupons detached, a Franklin Pierce ballot, another for Winfield Scott—there's just a meager sampling.

Oh, yes—a copy of the Vicksburg *Daily Citizen* for July 2, 1863, printed on wallpaper. One item reads:

"Two days bring great changes.
(CONTINUED ON PAGE 18)



Left, not an antique shop but a corner of the bank museum in Wellington, Kansas. President George E. Harbaugh is standing by one of the counters obtained from local business firms

Lower left, some unusually fine examples of Indian craftsmanship have been loaned to the museum. Exhibits have been loaned to the bank by residents of Kansas and a number of other states



Below, the "wheel department" of the museum, which boasts a variety of spinning wheels, bicycles, a surrey and even a Pope automobile



Behind: An eventful decade...

Ahead: Strength to meet the oil needs of free people

STANDARD OIL COMPANY (NEW JERSEY) REPORTS FOR 1949...

THE 215,000 STOCKHOLDERS of Standard Oil Company (New Jersey) have just been sent the Company's 1949 Annual Report. Some highlights are given here.

The report covers the closing year of an eventful decade—a decade of violent action and change...of war, and war's results, of great shifts in people's living standards, and in their hopes and aims.

It was a decade which put the strength and adaptability of American business to great tests. *And proved that the American kind of business enterprise gets jobs done.*

To the oil business, these last ten years brought demands far beyond any past experience.

Standard Oil Company (New Jersey) carried well its full share of this load. More new supplies of oil were found and developed than ever before. With

them came more new processes, more new products, more new jobs and job opportunities. We took in more money, and paid out more—for wages, taxes, dividends, supplies—than in any previous decade in history. And in that ten years almost four times the amount paid in dividends was invested in new facilities—strengthening the business to meet war and post-war needs.

Like all sound American business, Jersey Standard got these results through skill, initiative, teamwork and the productive use of capital. Men who work in the business of their choice—free to think and make decisions—took actions which got results and got them in time.

In reporting for 1949, this Company offers its stockholders not just the report of one business year...With it comes the hopeful assurance of strength and ability to meet the growing oil needs of free people in free lands.

HIGHLIGHTS FROM THE 1949 REPORT:

(for the consolidated companies)

PRODUCTION—957,000 barrels daily total (11% less than 1948)

REFINING—1,287,000 barrels daily total (7% less than 1948)

SALES—1,363,000 barrels daily (slightly less than 1948)

RESEARCH—\$21,400,000 spent on scientific projects (6 per cent more than in 1948)

CONSOLIDATED NET EARNINGS—\$268,870,000 or \$8.91 a share. This compares with \$365,605,000 or \$12.44 a share in 1948. Total income \$2,934,686,000 (12 per cent less than 1948)

PARENT COMPANY NET EARNINGS—(from which shareholders' dividends are paid) \$171,707,000 or \$5.69 a share. This compares with \$155,923,000 or \$5.31 a share in 1948.

DIVIDENDS—\$4.00 a share plus one share for each 50 shares held.

EMPLOYEE RELATIONS—Again no work interruption due to labor difficulties.

• • •

Copies of the full report will be gladly sent to anyone wishing full details. Write Room 1626, 30 Rockefeller Plaza, New York 20, New York.

STANDARD OIL COMPANY (NEW JERSEY)
AND AFFILIATED COMPANIES

(CONTINUED FROM PAGE 16)



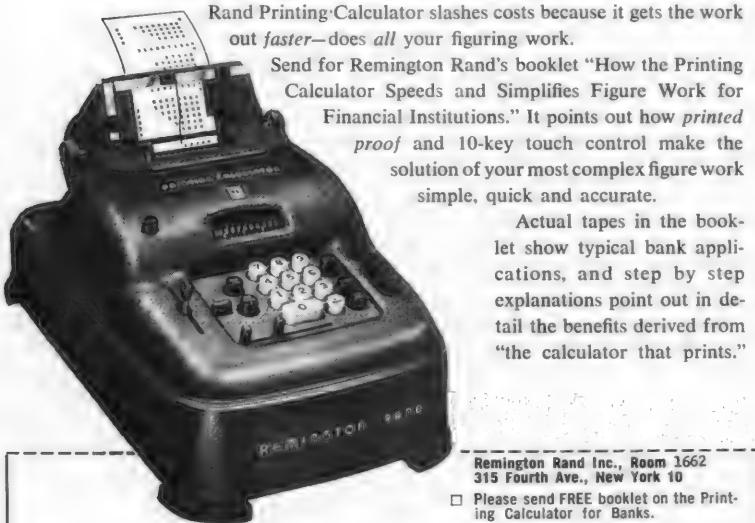
That's why banks are using Remington Rand's Printing Calculators.

Time is money. And figuring time costs you plenty. Your investment in clerical labor and in office expense for necessary calculating jobs is probably larger than you think. Compared to this overhead, the cost of your office figuring equipment is practically negligible! Why not make sure you're getting figure production at *minimum cost*? The Remington

Rand Printing Calculator slashes costs because it gets the work out *faster*—does *all* your figuring work.

Send for Remington Rand's booklet "How the Printing Calculator Speeds and Simplifies Figure Work for Financial Institutions." It points out how *printed proof* and 10-key touch control make the solution of your most complex figure work simple, quick and accurate.

Actual tapes in the booklet show typical bank applications, and step by step explanations point out in detail the benefits derived from "the calculator that prints."



Name _____
Bank _____
Address _____
City _____ Zone _____ State _____

Remington Rand Inc., Room 1662
315 Fourth Ave., New York 10

Please send FREE booklet on the Printing Calculator for Banks.

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Remington Rand

BUSINESS
MACHINES &
SUPPLIES DIVISION

The banner of the Union floats over Vicksburg. Gen. Grant has 'caught the rabbit,' he has dined in Vicksburg, and he did bring his dinner with him. The *Citizen* lives to see it. For the last time it appears on 'wall-paper.' No more will it eulogize the luxury of mulemeat and fricassee kitten . . . urge Southern warriors to such diet never more. This is the last wall-paper edition . . . It will be valuable hereafter as a curiosity."

The museum has many out of town visitors who, as Mr. Harbaugh will tell you, get a lasting recollection of this small country bank.

"I feel," he says, "that if we can create such memories in the minds of our visitors, we are at least doing good advertising."

Finance Professorship

A NEW full professorship in the field of finance, endowed by the Fort Worth National Bank, will be established in the Texas Christian University School of Business, effective September 1, TCU's President M. E. Sadler has announced.

The Fort Worth National Bank Chair of Finance will be created through an appropriation voted by the bank's board of directors. The new chair will make possible a broadened and integrated program in finance in the TCU School of Business, Dr. Sadler said, and it will enable the University to bring to its faculty a distinguished educator in the field of finance.

"Directors of the Fort Worth Na-

Left to right, Dr. M. E. Sadler, president of Texas Christian University; R. E. Harding, president of the Fort Worth National Bank; and Dr. Ellis M. Sowell, dean of the School of Business, TCU



tional Bank have taken a most significant step in creating this chair for the University and its students," President Sadler said.

"They are contributing not only to the education of the young men and women who will benefit directly, but also to the constant development of closer integration between business and education. Such cooperation is our best hope to preserve our American system of free and progressive enterprise."

Speaking for his board of directors, R. E. Harding, president of the Fort Worth National, commented, "It is our bank's desire to help build an outstanding department of finance for the students of TCU. In this new chair, we feel we are making an investment in the future. The business leadership of tomorrow is in the hands of the youth of today.

"Education is the business of our schools and particularly of our colleges and universities, but it is a function in which we of the business world must participate if we expect to share in the advantages of educational progress."

THE new Fort Worth National Bank professor will have direct responsibility for development of the school of business program in finance, Dean Ellis M. Sowell said.

The school's present courses in money and banking, investments, bank administration, and financial problems will be placed under his direction, and he will be empowered to initiate "additional offerings as they are required to build the Southwest's outstanding program in finance.

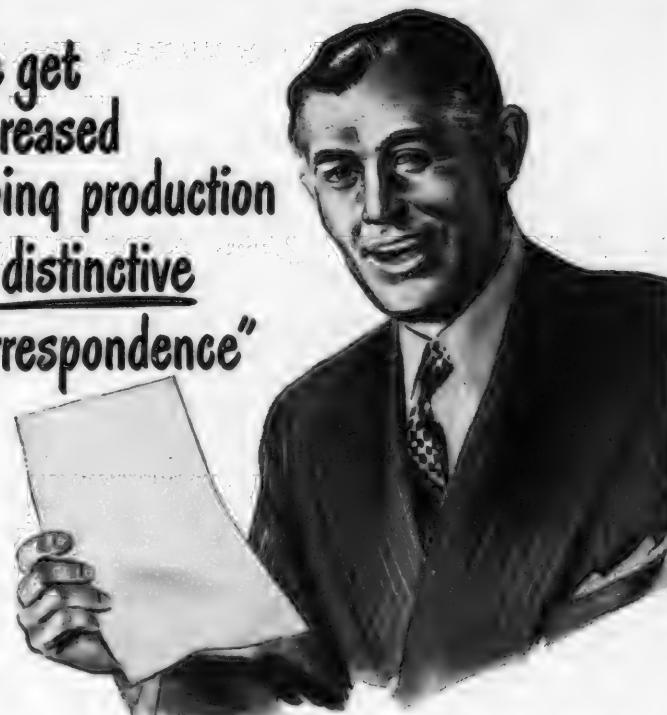
"This important step should be the beginning of a broad program of business-education cooperation," Dean Sowell stated. "We hope to work toward similar developments in the other major areas of business education, including accounting, production, marketing and industrial relations."

Nothing is as inevitable as death and the fact that taxes will be higher.

The person who has the real inside information is the surgeon.

If you can't sleep when it's time to get up, brother you have got insomnia.

"We get increased typing production ... distinctive correspondence"



That's why banks are using Remington Electri-economy Typewriters—the new electric typewriter that performs all typing requirements with greater ease—greater speed—greater accuracy.

In test after test where Remington Electri-economy Typewriters are installed, the increased typing output piles up extra profits—10% . . . 20% . . . 50% and even higher are the savings percentages reported by highly satisfied users.

Standard keyboard provides immediate transition from manual typewriters . . . scientifically developed, typist-tested touch allows natural typing position for the wrists and fingers—cuts typing errors to the minimum. And, you get 20 or more clear, neat carbon copies all with the same uniform printwork in one typing with this remarkable machine.

Mail coupon today for the amazing ECONOMY story of the Remington Electri-economy Typewriter.

MAKE THE
Electri-economy
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Please send me FREE copy of "Electric Typing vs. Manual Typing."
 Please have your representative call to make the FREE Electri-economy Test in my office—without obligation, of course.

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Remington Rand THE FIRST NAME
IN TYPEWRITERS

The author is Professor of Banking at Northwestern University.

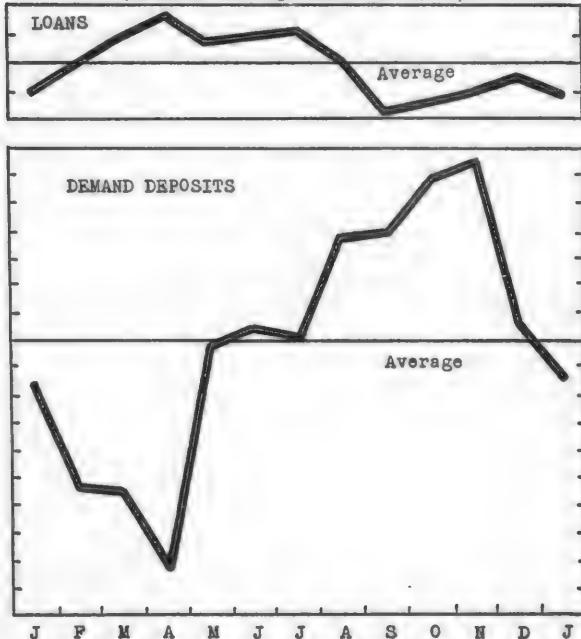
SEASONAL influences in banking have long been recognized. The traditional commercial loan was often seasonal. Banks also meet seasonal factors in their deposits, in the demands made on them for currency, and in many other ways.

The January issue of *BANKING* carried an illuminating account of the seasonal influences in the current loan accounts of the Chase National Bank. The article was prepared by Miss Dorothy Sonntag of the Chase research department. This study showed that four kinds of current loans were particularly subject to seasonal influences: food-stuff, tobacco, finance company, and department store loans. This study also showed that the total current loan account had a discernible seasonal fluctuation. The peak of the loan account in November was approximately 20 percent above the low month of June.

The Chase figures were prepared by the special methods devised and used by statisticians. These methods may be used with profit by banks that have trained personnel competent to apply them. But there are simple methods which any banker, willing to give the matter a

A COMPARISON OF SEASONAL UPS AND DOWNS
(Loans and demand deposits of a small bank)

(each notch represents \$100,000)

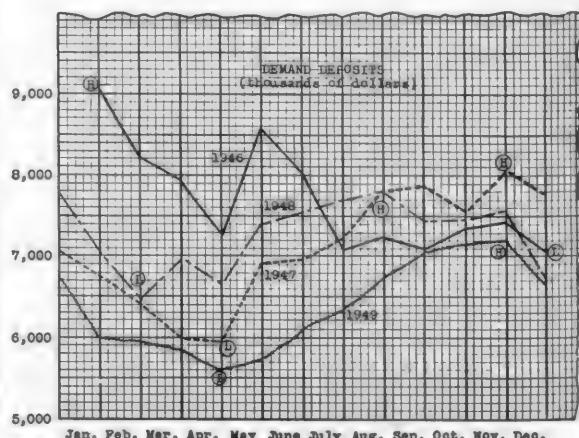


The preparation of helpful charts, such as those shown here, is fully explained in the accompanying text. The author uses these charts as his examples

seasonal pattern is then determined by simple inspection and common sense. In such a chart the figures for each year are put one above another. This permits a ready comparison of developments of any one season of the year during a number of years. The process is roughly as follows:

Step 1. The starting point is selection of the balance sheet item to be studied. In some banks it may be more than one item: public deposits, demand deposits of individuals and businesses, or the current loan account. In most cases, the banker's experience will already have indicated the balance sheet item which is most likely to need study. Copy the figures for the balance sheet item from the ledger sheets or possibly the statement book. For most purposes month-end figures are adequate. In formal statistical work with seasonal factors, it is common to use a great many years. But even then, careful statisticians give the final few years more attention in making the final estimates. It is probably adequate to use not more than four years of figures; and in a pinch three years would be enough. Ordinary accounting worksheet paper is handy for this purpose. It is a good idea to copy in yearly groups so that figures

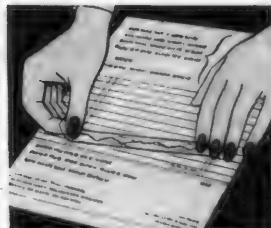
(CONTINUED ON PAGE 22)



It's a time-saver for everyone in your office!



"SCOTCH" BRAND CELLOPHANE TAPE is tops with me for all kinds of jobs like . . .



MENDING office records, file cards, maps, correspondence



IT SIMPLIFIES lots of time-consuming jobs for me . . .



ATTACHING riders and notices to all kinds of documents



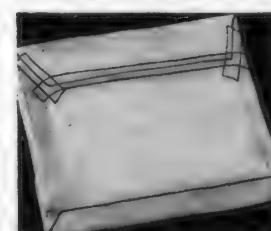
VERY HANDY for little odd chores that clutter up a day . . .



PUTTING UP office notices, announcements, instructions



"SCOTCH" BRAND CELLOPHANE TAPE helps me in . . .



SEALING boxes, packages, bulky envelopes for mailing



HEAVY DUTY DISPENSER is a favorite for mail rooms and file departments. Refillable with big, economical 2592-inch rolls. \$2.50 without tape.



DESK DISPENSER has soft rubber feet, lets you flick off any length of tape with one hand. Takes 1296- or 792-inch roll. \$1.69 without tape.



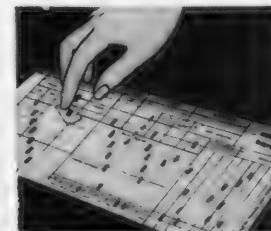
MASKING out unwanted parts of duplicator copy



LABELING file cabinet drawers, folders and section dividers



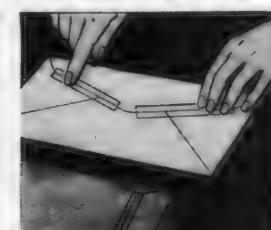
MENDING torn checks, vouchers, and currency invisibly



CORRECTING mistakes and revising tabulating cards



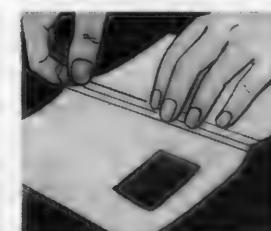
ATTACHING reminder tags and memos to letters and files



DOUBLE-SEALING important envelopes, confidential files



REINFORCING binders, notebooks, file folders, indexes



REINFORCING binders, notebooks, file folders, indexes

SCOTCH
BRAND
Cellophane
Tape

IMPORTANT: There's more than one brand of cellophane tape—for quality always insist on the "SCOTCH" brand, in the bright plaid container.

Made in U.S.A. by MINNESOTA MINING & MFG. CO., St. Paul 6, Minn., also makers of other "Scotch" Brand Pressure-sensitive Tapes, "Scotch" Sound Recording Tape, "Underseal" Rubberized Coating, "Scotchlite" Reflective Sheeting, "Safety-Walk" Non-Slip Surfacing, "3M" Abrasives, "3M" Adhesives. General Export: DUREX ABRASIVES CORP., New Rochelle, N. Y. • In Canada: CANADIAN DUREX ABRASIVES LTD., Brantford, Ontario.

“Foreign” Trade – Overnight

New markets and new sources of supply for your products may be waiting for you just north of the border. Canada already is America's best customer—and Canada is rapidly developing new and important sources of raw materials, as well.

Best of all, trade with Canada is easy—your shipment need not leave its boxcar until it reaches its Canadian destination. That makes for speed, economy, efficiency.

As the Canadian banking connection for thousands of American firms doing business in Canada, we are fully conversant with the trade situations that may be of interest to you. Through our 550 offices across Canada, we can provide additional information if you need it. As your bank in Canada, we should be glad to help you find and take advantage of the opportunities that exist in Canada for you.

These facilities are at the disposal of American banks in behalf of their customers.

Enquiries welcomed

Monthly Commercial Letter upon request



THE CANADIAN BANK OF COMMERCE

Head Office: Toronto

550 Branches across Canada and in

NEW YORK
LOS ANGELES

SEATTLE

PORTRLAND, ORE.

SAN FRANCISCO

LONDON, ENG.

AND THE WEST INDIES

(CONTINUED FROM PAGE 20)

for any given month are opposite each other. The high and low points for the entire period should then be marked with an “h” and an “l.” The example, top of opposite page, will show how these figures may be arrayed.

Step 2. The next step is to prepare a blank chart for the figures. Charting paper or cross-section paper can be obtained from almost any stationery store. There are special kinds of charting paper on which the 12-month cycle is marked off. This is convenient but not necessary. The sample chart shown on page 20 is drawn on unmarked chart paper. For the horizontal dimension count off the 12 spaces corresponding to the months of the year. The vertical spaces should then be picked so as to allow ample space for the range between the high and low marked in the first step. (In some kinds of charts, it is better to start all vertical spacings at “0” but for this purpose the chart can start with the first convenient even number under the minimum figure of the series.)

Step 3. Plotting with India ink makes for a neater chart, but no special equipment is needed other than a common ruler. Steel pens (though preferably better ones than found on many bank lobby counters) can be used both to draw the margins and to plot the annual lines. It is desirable to complete the line for each year before starting that for another year. The monthly points can be plotted from the worksheet in pencil, checked, and then the connecting line drawn between the points. Use of some distinguishing character for each line is useful. Dots, dashes, and combinations of dots and dashes will make distinctive lines. Date each year as it is drawn so that its identity will not be forgotten.

Step 4. The final job is that of marking the high and low points of each year. This is not the same as the high and low of the copied figures. Those were identified in order to determine the space that had to be allowed for on the chart. The high and lows now being marked in are for purpose of interpretation, as explained below.

As said in the beginning, the estimation of seasonal fluctuations is more a matter of common sense



What Better Way—

to recognize and honor your officers and staff for long service than with fine awards of solid gold.

Emblems of artistic design especially created for your own company bespeak an appreciation of loyalty above and beyond any cash remuneration.

The cost of setting up and operating a service award program is little—less than you think—and the results are so gratifying.

We offer complete assistance from start to finish. Further information, sketches and samples available without obligation.

L. G. BALFOUR COMPANY

Attleboro, Massachusetts

Offices and representatives in most large cities, or write the Home Office

Official Jewelers to the American Institute of Banking and the Graduate School of Banking of the American Bankers Association

Demand Deposits
(thousands of dollars)

end of month	1946	1947	1948	1949	
Jan.	H 9063	6751	7012	5974	
Feb.	8202	6402	6436	5925	
March	7937	5987	6951	5874	
April	7287	5925	6648	L 5537	
May	8532	6898	7363	5711	
June	7975	6974	7501	6121	
July	7087	7274	7699	6337	
Aug.	7260	7800	7801	6761	
Sept.	7074	7887	7425	7053	
Oct.	7362	7551	7436	7151	
Nov.	7415	8013	7575	7190	
Dec.	7040	7799	6701	6675	

than of specialized techniques. One of the first interpretive acts, therefore, is to reflect on the figures that are being studied. Were there any special events that threw this series out of line in one of the years? Was the general trend of some of the years upward or downward? Do the plotted figures correspond to your own common sense idea of them? If not, check for errors.

Allowance must be made for the following factors: Any period of rapid growth or rapid decline is likely to upset the estimation of seasonal influence; and any unusual episode must be recognized. In the example used here two such factors were present:

(1) During 1946 the demand deposits of this bank declined more than general for banks in that year. The industries in the area served by this bank had a difficult postwar readjustment. This year should be given less weight in reaching final conclusions.

(2) In 1948 an unusually large deposit of public funds, the proceeds of a bond sale, was received in March. These balances were not drawn back to normal levels until about August.

If there is a true seasonal pattern, the chart will show a tendency for the low points of each year and the year points to coincide. This will not always be precisely true but it will be true in a general way. In the page 20 chart, for example, the low point in two years is April, in one it is March, and in one it is December. The December low was in 1946. Without an exceptional event, 1946 low probably would have been in April. The same seems to be true of 1948. Thus, April seems to be the typical low month.

The high month of two years was November. But in 1948, because of the public deposit, the high was

August. The 1946 high was January. Allowing for the rate of drop, November looks like a typical high month. The evidence looks fairly clear: The typical seasonal peak month of demand deposits in this bank comes in November.

Once the typical high and low months have been identified, the next step is to figure the typical range of movement from the low to the high (or the other way around, if more convenient). Again it is necessary to carry in mind any special events that must be allowed for. In the illustrated case, it seems reasonably clear that there tends to be a rise of from \$1½-million to \$2-million from April to November. And in this case both the rise from the low point and the drop from the high point are fairly steady. But this would not be true of all cases. In some circumstances either rises or drops might be abrupt. That fact should be separately noted.

Although the method described here will work reasonably well for most cases, special applications require some deviation in technique.

The illustration shown here was for the typical case—a seasonal movement over the entire year. But sometimes it is useful to study a short season intensively. For example, personal property taxes in some states cause the deposits of banks to drop violently just before assessment date. Afterwards they return, though the rate of return often varies. Almost all banks feel the quarterly Federal income tax payment dates, but to widely varying extents. The figures used for study of such cases may be confirmed to shorter but more frequent intervals. For example, daily figures might be very useful for a case involving a tax transfer of funds.

When plotting daily figures, a
(CONTINUED ON PAGE 112)

SCUDDER STEVENS & CLARK FUND, Inc.

Price:

Net asset value

Prospectus on Request

10 POST OFFICE SQUARE
BOSTON 9, MASSACHUSETTS

YOU CAN CASH CHECKS

QUICKER

WHEN
YOU
USE



STEEL-STRONG
TRADE MARK
CURRENCY RACK

This popular and convenient style Rock holds a moderate quantity of bills of various denominations rendered easily available for quick handling. Makes cashing of checks a speedy procedure. Base is of enameled aluminum, 6½ in. square. The four 7 in. nickelized steel Posts accommodate the enameled counter weight. A very handy device.

The C. L. DOWNEY Company
HANNIBAL, MISSOURI
World's Largest Mfrs. of Coin Wrappers



Heard Along Main Street

Changes at Central Hanover

R. E. MCNEILL, JR., formerly vice-president of Central Hanover Bank and Trust Company, New York, is now president, succeeding WILLIAM S. GRAY, who has been made chairman of the board.

J. K. OLYPHANT, JR., head of the banking division, and WILLIAM A. ELDRIDGE, head of the trust division, have been elected vice-chairmen. Both were vice-presidents.

Mr. MCNEILL came to the bank as a vice-president late in 1940 from Atlantic National Bank, West Palm Beach, where he was president. In becoming chairman Mr. GRAY, president since 1933, takes up a post that lapsed in 1939 when GEORGE W. DAVIDSON retired.

Veteran Banker Honored

WESTERN Pennsylvania bankers recently honored their colleague, 87-year-old CHARLES C. HENDERSON, president of the Bank of Millvale in Pittsburgh for the past 50 years and holder of four half-century records.

A dinner celebration attended by many prominent Pittsburgh bankers

Mr. Henderson, left, receives a special award from Arthur R. Atwood, on behalf of his Pennsylvania banker colleagues, at the Golden Anniversary dinner



R. E. McNeill



W. S. Gray

was the climax of the Millvale bank's 50th anniversary which coincided with Mr. HENDERSON's own golden jubilee as president.

The veteran banker told reporters his first 5-year record was his best.

"This was the first 50 years of my life," he explained, "during which I paid no income taxes. That was from 1863 to 1913, when the income tax was first levied."

In addition to serving the Bank of Millvale for 50 years, he has also been secretary of the Dime Savings and Loan in Sharpsburg, Pennsylvania, for a similar period; a director of the Citizens Deposit and Trust Company, also of Sharpsburg, for 52 years; and he has held various executive positions in the steel industry over a 55-year span.

Mr. HENDERSON started as a messenger boy in a Spang-Chalfant company store, and in 25 years was head of the company. He and some associates then formed the Reliance Tube Company which was sold to Allegheny Steel in 1909, at which time he became vice-president and later general manager. He retired in 1934.

He helped organize the Citizens Deposit and Trust Company in 1898, and was elected president in 1914, a position he still holds. In 1900 he was an organizer of the Bank of Millvale, becoming its first and only president.

Nearly 100 prominent bankers attended the celebration. Mr. HENDERSON took it all in stride.

"It's grand because I enjoy meet-

ing people," he said. He insisted that he hadn't any intention of sitting back and taking it easy.

"I'd be dead if I was cut off from my contact with younger men," he observed.

"And I'm glad I was able to get through at the bank tonight in time to come to this affair," he added with a twinkle in his eye. "It's been wonderful."

Meacham Goes to Arkansas Bank

THE First National Bank of El Dorado, Arkansas, has announced the election of WILLIAM D. MEACHAM as a vice-president. He was formerly an assistant vice-president and territorial officer of the First National Bank in St. Louis.

Before going to St. Louis in January, 1945, Mr. MEACHAM was an assistant vice-president of the First National Bank of Clarksville, Tennessee, where he started his bank.

(CONTINUED ON PAGE 26)

A life-size portrait of General Robert E. Lee has been unveiled in the lobby of the Lee County Bank, Fort Myers, Fla. At the ceremony, left to right, President John H. Fears; Miss Cora Burghard, the artist; and R. A. Henderson, Jr., board chairman



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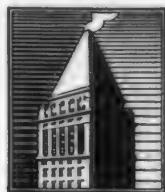
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For full information on how this service can benefit your bank, write Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y. Telephone RECTOR 2-8900 when we can be of assistance. Our teletype numbers are NY 1-3333 for Governments and NY 1-850 for State and Municipals.

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BANK & TRUST COMPANY

Pittsburgh 30, Pennsylvania

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W. D. Meacham



G. R. Martin

ing career as a clerk in 1927. Subsequently he was elected assistant cashier and assistant vice-president, and for nine years he worked closely with C. W. BAILEY, president of that bank, in developing and revising credit files of farmers in the bank's trade area, as well as on all phases of the bank's agricultural program, widely known as "The Four Pillars of Income."

Mr. MEACHAM is a member of the Research Council of the American Bankers Association and an alumnus of The Graduate School of Banking.

GEORGE R. MARTIN, vice-president and manager of the bond department of the Security-First National Bank, Los Angeles, has retired after 31 years of service. He will continue as a member of the trust committee. In recent years Mr. MARTIN has served on the Government Borrowing and Treasury Savings Bond committees of the American Bankers Association. In October Mr. and Mrs. MARTIN plan to leave for a trip around the world.

The Custer County Bank of Custer, South Dakota, recently observed its 60th anniversary. During the six decades the bank has been under the direction of T. W. DELICATE, now chairman of the board, who organized the bank at the age of 19. Honoring Mr. DELICATE and his bank, businessmen of Custer and the bank's customers sponsored a special edition of the *Custer County Chronicle*.

TURNER RICE has resigned as vice-president and trust officer of the First National Bank of Mobile to become executive trustee and business manager of the recently established Bellingrath-Morse Foundation, which provides for perpetual maintenance of Bellingrath Gardens for charitable, educational, and religious purposes. His successor as head of the bank's trust department is HARWELL E. COALE. A. DANNER FRAZER has been made trust officer in charge of new business develop-

ment, while THOMAS G. ST. JOHN, JR., and JAMES C. ANDRESS are new assistant trust officers.

IRVIN N. CLARY, for 10 years vice-president of the Paterson (New Jersey) Savings and Trust Company, has been elected vice-chairman of the board of the Temple (Texas) National Bank. Mr. CLARY has acquired a substantial stock interest in several Texas banks controlled by J. E. Woods and IRVIN MC CREAMY, chairman and president, respectively, of the Temple National.

WILLIAM H. JOHNSON, vice-president of the Anglo California Bank, San Francisco, has been placed in charge of the new public relations department at the Sacramento office. WALTER W. FUNK, FRANK HODGSON, JOHN E. MILLER and DARRELL R. PURCELL have been made assistant vice-presidents, and RALPH B. LANE an assistant cashier at the same office.

CHARLES M. JOHNSON, former State Treasurer and chairman of the North Carolina Banking Commission, has joined the staff of the Bank of Charlotte as executive vice-president. Mr. JOHNSON came to the bank from a Durham bond firm.

HARRY W. GIBSON, JR., has been made president of the First National Bank and Trust Company of Muskogee, Oklahoma.

COLEMAN C. WALKER, a vice-president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, is joining the staff of Bankers Trust Company, New York, as vice-president. Another new vice-president is RICHARD SHIELDS, formerly assistant vice-president. ROBERT H. BROME, assistant counsel of the Federal Reserve Bank of New York, and ROBERT ORR, JR., assistant treasurer of Bankers, have been made assistant vice-presidents. Mr. WALKER will be assigned to the banking department on June 1. Mr. BROME became resident counsel on May 1.



C. C. Walker



Richard Shields

Another staff change placed vice-president J. P. DREIBELBIS in charge of the banking department. He was formerly in charge of its out-of-town division.

Anniversaries

The FALL RIVER (Massachusetts) NATIONAL BANK published a brochure in honor of its 125th anniversary.

The UNION NATIONAL BANK of Franklinville, New York, recently observed its 50th birthday.

ALEX. BROWN & SONS, of Baltimore, the country's oldest name in investment banking, had its 150th anniversary this spring. In the early 1800s the firm carried on a mercantile and shipping business as well as banking, and owned and operated a fleet of clipper ships. In 1827 it sponsored and financed the Baltimore and Ohio Railroad.

FREDERIC A. POTTS, president of The Philadelphia National Bank, spent the past few weeks in Europe, conferring with leading bankers and businessmen in eight countries. His schedule included a visit with Banker ROBERT M. HANES, ECA administrator for Germany.

WILLIAM H. BELL, JR., is a new assistant vice-president of The First National Bank of Jersey City.

PARKES ARMISTEAD, president of the First American National Bank of Nashville, has joined the directorate of the Nashville, Chattanooga and St. Louis Railway.

GEORGE D. CHERRY has resigned as vice-president and trust officer of The First National Bank of Jersey City, New Jersey, and accepted a vice-presidency of the Camden Trust Company where he is in the trust department. Mr. CHERRY, alumnus of The Graduate School of Banking, is a member of the Committee on Trust Information, American Bankers Association, and a past president of the New Jersey Bankers Association's trust division.



G. D. Cherry



P. Armistead

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When Brownie Troop No. 8 came into The First National Bank of Leesburg, Fla., to open an account, Cashier George Rast postponed his other chores and gave the youngsters his personal attention. In the picture he's presenting the bank book to its owners

RUFUS F. DUFF has been made vice-president of Excelsior Savings Banks, New York. He is in charge of bond investments.

DAVID J. FLYNN and WILLIAM T. BROCKWEHL are new assistant trust officers at Central Bank of Oakland, California.

NICHOLAS RENDENBACH, assistant vice-president of the First Wisconsin National Bank, Milwaukee, has been elected cashier.

RUSSELL H. PITCHFORD, formerly vice-president and cashier of the Fulton (Kentucky) Bank, has become associated with the correspondent bank division of First American National Bank, Nashville.

N. LEE UDELL, formerly manager of the public relations department of the Chicago National Bank, has joined the staff of Christmas Club.

JOHN A. MAHER, formerly an assistant vice-president of the Bank of the Manhattan Company, New York, was recently made vice-president of The New York Savings Bank. He is in charge of the mortgage and real estate department.

C. M. VANSTORY, JR., was elected president of the Security National Bank of Greensboro, North Carolina. N. S. CALHOUN, who retired after holding the presidency since the bank's organization in 1933, was made chairman of the executive committee. Mr. VANSTORY was formerly vice-president.

At United States Trust Company, New York, HENRY G. DIEFENBACH

has been made vice-president and comptroller and FERDINAND G. VON HUMMER has been appointed vice-president.

JAMES F. HARDIN, an alumnus of The Graduate School of Banking, has been elected an assistant vice-president of The Manhattan Savings Bank, New York.

LEWIS A. LAPHAM, president of American-Hawaiian Steamship Company, has joined the directorate of Bankers Trust Company, New York.

JOHN T. GALLAGHER, a second vice-president of the Continental Illinois National Bank and Trust Company of Chicago, has retired after 40 years of service.

GEORGE W. CORY, assistant treasurer of the National Savings Bank, New Haven, Connecticut, has retired after 38 years with the bank.

The Bank of Virginia has elected two new assistant cashiers: WILLIAM M. STARKE in Richmond and LOUIS A. BOSCHEN, JR., in Roanoke.

Miss VIRGINIA O. VALENTINE, advertising manager of State-Planters Bank and Trust Company, Richmond, has been elected president of the Altrusa Club of Richmond. Altrusa is a national organization of executive and professional women.

Farmers Bank of the State of Delaware, Dover, has promoted MARVEL O. WATSON to assistant cashier and SAMUEL F. HEITE to assistant secretary.

(CONTINUED ON PAGE 30)

"deposits up 34.8%"

since you completed our bank modernization!"

deposits increased
16% after 6 months
22% after one year!



St. Louis County National Bank, Clayton, Mo.

In the first six months after we completed new quarters for the St. Louis County National Bank of Clayton, Missouri, deposit totals increased 16%! After one year, they increased 22%. And today, after approximately two years of operation in its attractive and efficient new quarters, deposits are up 34.8%! According to executives at the St. Louis County National, our translation of the bank's *specific* needs into *functional* architecture has been a major factor in making these business increases possible.

50 banks whose quarters we recently modernized—report
deposits increased averaging 33.7%



A cross section group of 50 banks, whose new quarters we recently completed, were asked to help us compile a report of business conditions before, and after modernization. In the case of deposit totals, these banks reported increases averaging 8.3% after six months, 14.3% after one year, 33.7% as of today! This is a dramatic indication that the new and efficient banking quarters we are designing have a profound effect upon increasing a bank's *business*! Write for your complimentary copy of this Report today!

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(CONTINUED FROM PAGE 28)

EDWIN E. ADAMS, who has been vice-president and manager of the Seattle office, The Bank of California, N.A., is now executive vice-president at the head office in San Francisco. His successor at Seattle is THOMAS L. MCQUAID, formerly assistant manager and recently elected a vice-president.

A. A. LESSEG, manager of the East Portland branch of the First National Bank of Portland, Oregon, has retired after 43 years in banking. KENNETH S. MILLER succeeds him.

JAMES B. BOSTICK is a new trust officer of the American Trust Company, Charlotte, North Carolina. He was formerly an assistant vice-president of Central Hanover Bank & Trust Company, New York City.

WILLIAM F. TREIBER has been appointed a vice-president of the Federal Reserve Bank of New York and EDWARD G. GUY has been named assistant counsel.

WILLIAM G. McCARTHY, assistant cashier of The Manufacturers National Bank of Detroit, has been appointed director of personnel.

Banker Aids Airport

G. HAROLD WELCH, vice-president of the New Haven (Connecticut) Bank, NBA, received the second annual aviation award of the New Haven Junior Chamber of Commerce.

Mr. WELCH, chairman of the Aviation Committee of the New Haven Chamber of Commerce, was cited for outstanding leadership in the adoption of the "master plan" for the city's municipal airport. He was instrumental in the procurement of

a Federal grant of \$174,000 and the approval of a bond issue by the two city boards for \$200,000 to match the Federal funds for airport improvements.

The aviation award was presented to Mr. WELCH by Mayor William C. Celentano. The principal address at the ceremony was made by Captain Eddie Rickenbacker, president of Eastern Airlines, Inc.

E. D. GASKINS, formerly vice-president of the Commercial Bank and Trust Company of South Carolina, Columbia, has been made manager of the instalment loan department of the American Trust Company, Charlotte, North Carolina. He is completing his second year at The Graduate School of Banking.

H. DOUGLAS DAVIS, president of the Plainfield Trust Company, has been appointed to the New Jersey State Banking Advisory Board to fill the vacancy caused by the death of JOHN A. GAFFNEY, president of the Mid-City Trust Company, Plainfield.

GERALD N. B. WATKINS, formerly New York representative of Barclays Bank, Ltd., is now vice-president in charge of the foreign department of the American Trust Company, New York City.

J. A. TAYLOR is now chairman of the board of the First National Bank in Santa Ana, California. He was formerly executive vice-president.

ALBERT J. CRYOR, for 16 years a senior examiner with the Federal Reserve Bank of San Francisco, has joined the Central Valley Bank of California, Richmond, as an executive in the operations department.

PAUL A. TOOLE has been advanced



L. to r., J. H. Tweed, New Haven airport manager; Eddie Rickenbacker; G. Harold Welch; R. C. Lee, Junior Chamber of Commerce president



W. A. Kirkland, executive vice-president of First National Bank in Houston, stands between two colleagues as they receive diamond pins for 30 years of service. Left, T. H. Mattingly, vice-president; right, J. W. Danheim. Behind Mr. Kirkland is the portrait of his grandfather, B. A. Shepherd, a founder of the bank. Service pins were presented to several officers and employees by Chairman F. M. Law

from assistant vice-president to treasurer of the Albany (New York) Savings Bank.

Irving Trust Company of New York announces promotion of JOHN F. McILLWAIN and GRANT W. VAN SAUN from assistant vice-presidents to vice-presidents.

ARTHUR C. KAUFMANN, executive head of Gimbel Brothers, has been elected president of Gimbel Brothers Bank and Trust Company, Philadelphia. He succeeds the late ELLIS A. GIMBEL.

MARK A. BROWN, president of Harris Trust and Savings Bank, Chicago, was elected to the board of American Radiator & Standard Sanitary Corporation.

HARVEY WEEKS, vice-president of the Central Hanover Bank and Trust Company, New York City, has retired voluntarily, well in advance of the normal retirement age, and plans to spend part of his time speaking and writing. Public speaking has been his hobby for many years, and he has addressed meetings of numerous national organizations, including the American Bankers Association and the American Institute of Banking. As president of the Joliet, Illinois, Rotary Club, he originated the "Go to Church Sunday" movement and was elected the first president of the Go to Church League. He joined Central Hanover's trust new business department on June 1, 1929.

(CONTINUED ON PAGE 123)

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AMERICAN TRUST COMPANY
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Write for details.



Statement of Condition - March 31, 1950

RESOURCES

Cash on Hand and in Banks	\$187,050,556.36
U. S. Government Obligations	371,123,181.78
State, County, and Municipal Bonds	53,886,427.45
Other Bonds and Securities	9,056,473.55
Stock in Federal Reserve Bank	1,013,800.00
Loans and Discounts	379,017,484.75
Bank Premises and Equipment	8,504,477.34
Other Real Estate	1.00
Customers' Liability under Letters of Credit and Acceptances	3,593,308.86
Accrued Interest Receivable and Other Assets	6,123,494.62
Total Resources	\$1,019,369,205.71

LIABILITIES

Deposits	\$962,148,532.78
Letters of Credit and Acceptances	3,648,016.86
Reserve for Interest, Taxes, etc.	6,515,626.64
Other Liabilities	6,374,229.08
Capital Stock	
Preferred	\$7,172,350.00
Common	\$9,517,040.00
Surplus	16,689,390.00
Undivided Profits	17,102,460.07
Total Liabilities	6,890,950.28
	\$1,019,369,205.71

United States Government and other securities carried at \$132,752,197.38 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.

Did you know?

...that way back in 1611 Lord Coke pronounced the *ad coelum* theory, still in controversy, stating that "He who owns the land, owns up to the heavens"? ... that the first U. S. "aviation" case — *Guille v. Swan* — heard in 1822, involving a balloonist trespassing by landing on private property, is still cited today? ... that the first codification of international aerial law was made at the Paris International Air Navigation Convention of 1919? ... that the first state aviation legislation was enacted by Connecticut in 1911? ... that 15 years elapsed before any pertinent federal law — the Air Commerce Act of 1926 — came on the scene?

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EDITED especially for those concerned with problems arising under government regulation of civil aviation, CCH's Aviation Law Reports continually supply the needed facts and information pertaining to this field — explained, organized, integrated for speedy, effective use. Frequent, regular issues keep subscribers always posted right up to the minute on all significant, unfolding developments.

Basically, this Reporter is designed to provide constant contact with all official utterances of the Civil Aeronautics Board. Its scope embraces all "safety" and "economic" regulations as well as all decisions of the C.A.B., and all regulations issued by the Administrator of Civil Aeronautics.

In addition, pertinent regulations released by other government departments, such as the Post Office and State Departments, or by the Federal Security Administrator, the Secretary of Commerce, etc., are promptly reported.

Decisions of the courts, which also play an important part in this field appear, too, as an essential part of the coverage of the "Reports". And to round out the full-scope reporting of aviation law, aviation statutes, as currently enacted by the individual states from Maine to California, are reported when they "break". International aviation law, in the form of treaties, conventions, and agreements entered into between the United States and other nations, is likewise watchfully followed, promptly made known.

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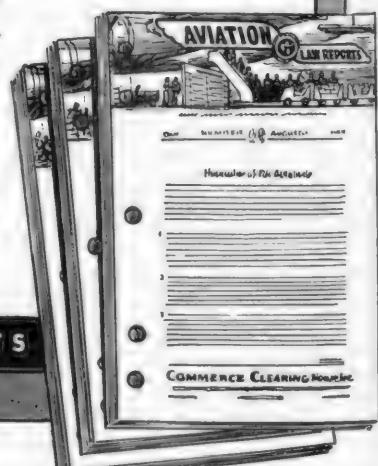
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BANKING

JANUARY 5, 1934.

ME

TWO CENTS In Five Days 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950

ROOSEVELT SPENDING \$10,569,006,967 TO JUNE 30; NEW BORROWING 6 BILLION, PLUS 4 BILLION TO RETIRE MATURITIES

CONFERENCE AT TREASURY

No Unusual Methods Are Indicated for the Huge Financing Program.

RECENT SUCCESSES CITED

Efforts Are Likely to Be Made to Avoid the Use of Short-Term Issues Only.

TO SPEND BILLION A MONTH

Six Months' Record Outlay Is Expected to Develop in Annual Report.

Part of the Treasury report is on Page 18

SECRETARY TELLS HOW

—Secretary of the Treasury Harry S. Teller said yesterday that the big financing problem laid on them by Congress in the last two months will be solved by June 30. Mr. Teller estimated that \$10,569,006,967 will have to be raised in the next six months to meet current and cover expenditures under the borrowing program. He said that there have been no discussions of raising either short-term or long-term debts. Budgets include \$246,336,000 of new Treasury notes due May 1 and \$1,000,000,000 of new issues of indebtedness due March 15, \$7,000,000 of 1 per cent certificates of deposit, \$10,000,000

Figures From the Budget Message

By The American Press
Reprinted from the New York Times

The government will spend \$10,569,006,967 in the year ending next June 30, increasing the public debt by \$7,269,000,000 to an estimate high of \$29,917,000,000.

The President expects this public debt total will be raised to \$30,000,000,000 by June 30.

Net outlays in the fiscal year 1933, which began next July 1, are estimated at \$1,300,000,000 after deducting \$180,432,000 of interest on the public debt.

The government will borrow \$10,000,000,000 in the next six months—\$4,050,000,000 of new money and \$4,000,000,000 to retire maturing obligations.

For the first six months, general expenditures on both 1933 and 1932 will fall within estimated receipts. Relating to emergency recovery costs, this fiscal year's deficit will be \$7,269,000,000, the President said.

By the end of 1933, the government expects to have assets pledged against loans with a book value of \$5,577,000,000. Requirements will go to debt reductions.

For the first six months of 1933 and for 1932 at \$3,874,000,000, b. these figures do not include a possible \$100,000,000 for armament, as the U.S. Income Tax Law forbids.

The President will ask \$10,600,000 for "necessary" expenditures in 1934, which were not included in the budget. This was over and above regular emergency outlays. He estimated \$2,000,000,000 for the new fiscal year.

Part of the Treasury report is on Page 18

SIZE OF THE BUDGET DEFICITS FEAR STAGGERS WALL ST. ISSUE IN ELECTIONS

Federal Securities Drop Sharply, Then Rally on Official Support.

DOLLAR OFF, STOCKS DOWN

Commodities Stronger—New Financing Feasible—Spend Money a Puzzle.

Party Leaders See Recovery Cost as a Basis of Attack in Fall Campaign.

SHOCK' TO REPUBLICANS

McNary Calls Conference to Map an Opposition Program Embracing Economics.

DEFICIT OF \$7,000,000,000

Budget Message Gives Figures for the Great Recovery Outlay.

DEBT TO REACH NEW PEAK

Will Be \$31,834,000,000 in 1935, Counting Deficit of \$2,000,000,000 That Year.

'PAY AS YOU GO' IN 1936

President Pledges Reduction of the Cost of Government After Two Years.

Text of President's budget message is on Page 18

JANUARY 16, 1950.

NEW YORK, Jan. 16.—By The American Press

THREE CENTS 1950

TRUMAN SUBMITS \$42 BILLION BUDGET; A THIRD FOR DEFENSE; DEFICIT \$5 BILLION; CONGRESS WILL FIGHT FOR REDUCTIONS

MILITARY COST IS UP

1951 Outlay Estimated at \$13,545,000,000, a Rise of \$400,000,000.

NAVY FUNDS CUT SHARPLY

Truman Sets \$4,424,000,000 for Air Force as Sea Arm Drops to \$3,881,000,000.

'PAY AS YOU GO' IN 1936

President Pledges Reduction of the Cost of Government After Two Years.

Text of President's budget message is on Page 18

20% Less Funds Requested For All Our Foreign Relations

President Asks \$3,100,000,000 for Europe, With Total at \$4,711,000,000—Recovery Plans Are Linked to 'Grave' Situation

By PHILIP BRAGG Jr.

WASHINGTON, Jan. 16.—President Truman asked Congress in person to the Philippines, where he is on a goodwill tour, to appropriate \$3,100,000,000 for Europe and other areas of the world, and to link recovery plans to "grave" situations in Korea and elsewhere.

The rest of recovery and related programs accounted for or less than \$1,000,000,000 of the outlays, the President said.

The President's estimate of outlays for the twelve months beginning July 1 was \$13,545,000,000. He estimated a rise of \$400,000,000 for the current fiscal year 1951 starting July 1.

In calling for this amount, he asked a third of the money be spent on armament and a third on economic recovery.

Mr. Truman said that the United States must keep all its relative military readiness as a key factor in world peace.

Reflecting authorizations for defense spending granted in previous years, the President said that his defense budget would be \$100,000,000 higher in 1951 than in the previous year, and \$100,000,000 what was reduced in the military establishment as a whole.

The Army set as a long-term aim, for a reduction in the Army's size, of 40 per cent.

The 788 originally authorized for the proposed fiscal year to \$32,000,000,000, was reduced to \$30,000,000 for aid to occupied areas and \$11,000,000 for aid to Korea.

Smaller estimates were given

In addition to a third appropriation for the Marchant Plan the President asked for \$1,000,000,000 for the proposed program to assist countries which have been hit by the world situation.

That we be prepared to adjust our foreign policy to the needs of the world situation.

The \$1,100,000,000 Congress was asked to appropriate is on Page 18, Column 2.

REALITY STRESSED

President Sees Outlays Providing for Minimum of Essential Activities

THIRD YEAR OF RED INK

Chief Executive Holds No Hope for Immediate End to It—Budget in New Form

Text of the budget message is on Page 18 to 21, including

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has been no drastic decline in farm real estate values, no mounting toll of foreclosures, no disturbing total of bank failures. Even business failures, although rising slightly at the present time, have in no sense reached serious proportions.

The national product at \$255-billion is approximately 2.5 times the total of 1939. The physical volume of business at the time of writing is 86 percent above the base period of 1935-1939. When we come to the Government itself, we find its income in the current year running at approximately \$38-billion. It should be noted that this is almost as much as the total national income in 1932.

If ever a Government should be asked to keep its financial house in proper order, certainly this context of circumstances provides categorical reasons for it. At no time in the past has the United States Government operated under conditions more favorable to prudent finance than those prevailing at the present time. The stark fact is that our Government is seriously in the red, that it will continue in the red during the coming fiscal year, and that the Administration is not only complacent about this situation but defends it.

It is well to appraise the background of this failure. In the early Thirties this country was confronted by a serious and apparently intractable depression. The Government which came into power frankly embraced the responsibility for lifting this country out of its bleak status and restoring a semblance of that prosperity which it had enjoyed in the previous decade. In the effort to do so, many extraordinary measures were adopted. As a part of its aggressive, "constructive" therapy, the Government decided to spend more than it collected.

Deliberate deficits, it was felt, were justified in periods of depression on the ground that they would add to the total spending power of the country. The basic thinking for this departure from sound finance was probably provided by a brilliant Englishman named John Maynard Keynes. He was in a sense the father of the modern theory of compensatory government finance. This rests on the premise that depressions are caused by the failure of consumption and capital outlay and that it is the duty of the state to step in and provide stimulants which will give the economy that primary forward impulse necessary to turn depression into prosperity. This was a formula eagerly seized by scholars in our universities and by our officials. A fiscal practice hitherto considered, almost without exception, to be reprehensible was suddenly pictured as a salutary and necessary policy of the Government.

Most of the devotees of compensatory Federal finance were honest intellectuals who believed that a resort to red ink was justifiable only in periods of poor business. It was then that stimulants or pump-priming might be necessary and it was only then that the Government could defend the abandonment of a balanced budget.

Unfortunately, this theory reckoned without human nature, particularly as it manifests itself in politics. It is a relatively easy matter to spend money for public works and for job-making. Nobody is injured, apparently, if the money spent is merely a use of the Government's credit and does not entail any increase in taxes. The benefits are tangible; there are new post offices, dams, improved harbors and highways; unemployment is cut; and apparently the economy has sustained a boost without any harm to anyone.

The great difficulty with this medicine is that it creates a habit and when the time comes for ending the treatment it takes a high degree of political courage to make the decision. The net result is that during the past 20 years this Government has balanced its budget or shown a surplus in only two years. In addition to the palpable deterioration of the currency represented by the abandonment of convertibility and the denial of gold to citizens, the public debt in this period has expanded from \$16.2-billion to \$257.2-billion, and the total supply of money, representing currency and bank deposits, from \$53.5-billion to \$177.5-billion.

After the Civil War

This is in sharp contrast to earlier experiences in our history. The Civil War placed upon the American Government precisely the same kind of strain which it sustained during the recent war. It became necessary immediately to abandon the gold standard and resort to the printing press to meet urgent bills. However, the moment the war was over our Government set its face resolutely to the task of balancing its budget. Each year thereafter, until the greenbacks issued during the war were again made convertible in 1879, the Government spent less than its revenue. Each year a surplus was available for reduction of the Federal debt. To such good effect was this done that by the end of the Seventies the per capita debt had been cut from \$75.42 to \$39.18, a drop of 48 percent.

Throughout this period of prudent finance, caustically deplored by the late Lord Keynes, this country made substantial progress. In the period of a single generation, from the outbreak of the Civil War to the end of the Seventies, in spite of the interruption to production entailed by the war itself, the total national wealth doubled. The western frontier was pushed to the Pacific Coast, new industries were started, more jobs were created, and the country registered phenomenal progress. Obviously a balanced budget, a reduction in the public debt year after year, resolute economy in the performance of public service—no one of these or all of them together retarded the growth of the country or constituted barriers to prosperity.

A similar story can be told of the period following World War I. Again we have years of prudent fiscal operation, balanced budgets, reductions in the public debt—all occurring in a decade which has since become the modern golden era of American prosperity. The

(CONTINUED ON PAGE 106)

METHODS and IDEAS

A STOP That Stops

A STOP CARD that is said to have virtually eliminated the payment of stops in the bookkeeping department of the PACIFIC NATIONAL BANK of San Francisco is described for BANKING's readers by Wesley A. Terkelson, staff member who devised the gadget.

"The card," he reports, "is a modified fold-over with the front flap about two-fifths the size of the back flap, and a cutout for reading the ledger name. The card is bright red and has no printing on the outside. The inside of the shorter front flap has space for pertinent information, with STOP PAYMENT in large black letters just above the fold.

"The stop card is placed over the ledger card with the shorter flap to the front. In posting, the bookkeeper flips up the stop card flap (the paper should be cut so the fold is with the grain) and takes up his ledger card. The stop card remains in place in the ledger tray, and the stop information typed on the inside of the flap (now exposed) is in an easily readable position.

"The ledger card is posted, returned to the ledger tray, the fold flipped down as the bookkeeper goes on to his next account.

"The advantages: The stop card is never removed from its place in the ledger tray, even though the ledger sheet is turned or carried forward, and, the flap being up, the ledger card is returned automatically to its correct place. The flap portion, being small, may be flipped up without interference from other ledger cards. The stop payment information is in a readable position and the color and lettering attract the eye.

"Most important, a positive action is required of the bookkeeper—the flip-up of the fold—alerting him to the fact of the stop, yet there is no delay in posting time.

"The card has been popular with the bookkeepers, for its use does not result in extra work nor in time lost, and because it has effectively reduced a bookkeeping hazard.

"Upon release of the stop, the card may be used for another account. Instructions to bookkeepers may be printed on the card to conform with policy."

Bank Ads That Compete With News

Here's a bank newspaper advertising campaign that's offering real

reader-interest competition to the paper's regular features.

The advertiser is the FIRST STATE BANK of Greenville, Michigan. The method, explains President W. J. Buescher, is to single out for special public commendation "those people and institutions in our area who are good citizens and who are making worthwhile contributions to the community, even in humble and routine ways."

Indirectly, the bank tries to convey the impression in some (not all) of the ads that thrift and good banking relations have been helpful to those who are featured in the copy.

The series runs once a week in the Greenville *Daily News*. Each ad is headed by a three-column informal, interesting picture of an individual. Under the photo are three or four paragraphs of chatty copy about the person, his or her job, company, and place in the community. In the lower left corner of the space there's a brief tie-in for the bank.

The ads are as varied as the population and occupations of Greenville. Subjects have included the young lady who manages a drug store soda bar, a truck driver, a dairyman, the keeper of a general store, the local weatherman, a band leader, the chief of police, individual employees of local industries. In each case the copy moves from the person to his job—a method that gives an opportunity to make friendly comment about Greenville businesses and to identify the bank with the town's life.

Advertising that talks about people inevitably attracts attention—and the FIRST STATE's campaign seems to be doing particularly well. The *Daily News* circulated an editorial questionnaire, asking its readers what they liked and what they didn't like. Advertising wasn't included, but the bank's series was singled out for comment by some of the paper's subscribers. In the editor's opinion, Mr. Buescher reports,



Bright red stop folder (shaded portion of drawing) has cutout to show customer's name on ledger card

"our campaign is attracting as much reader interest as many of the news features."

The campaign is getting noticed outside Greenville, too. Newspaper Boys of America, Inc., asked permission to reprint an ad featuring a *News* carrier boy who has built up a substantial savings account from his profits. A letter from the association complimented the **FIRST STATE**, remarking that this was "the kind of constructive publicity that can do much to combat 'do-gooders' propaganda that newspaper route work is detrimental to teen-age boys."

A national drug magazine reprinted the ad that featured the soda bar managerette.

Any practical results to the bank? Well, the deposits have been growing and the number of depositors has increased, says President Buescher. How much of the gain can be attributed to the newspaper campaign he has no way of knowing, obviously—but he believes the ads have helped.

This Sort of Copy Is Read, Too

BANKING has published many stories about bankers who sit down at their typewriters and produce "columns" which, as paid advertising, carry a variety of comments and mild sales talk into their communities' homes.

These columns frequently have an editorial slant—that is, they express opinions. Others are in lighter vein, or offer a mixture of chatter, fact, comment, and conversational selling. Numerous banks (particularly "country" banks) have been carrying this kind of advertising for some time. Among them is the **HOME STATE BANK** of Jefferson, Iowa, whose cashier, Warren Garst, started its column, "Home Bank Notes," about six years ago. Still going strong, it appears weekly in three newspapers and then is reprinted for mailing to about 1,800 people.

Here's another case of advertising copy that offers keen competition to news. Mr. Garst's "Notes," we're told, gets more readers than anything in the papers except Page 1. The items are varied: a paragraph on the Federal budget, an anecdote or two, a sprinkling of epigrams, practical hints for dairy farmers, some reasons for renting

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The First National Bank of Chicago's exhibit at a recent business show included a cash counting and sorting machine which was operated with several hundred dollars in coins. Youngsters and grown folks liked to let the coins trickle through their fingers. No samples were distributed!



The First National Bank of Miami, Florida, participated in Business-Industry Education Day, arranged to give public school teachers a closeup of business at work. Chartered buses brought 46 teachers to the bank where they visited the departments, heard a talk by President C. B. Chinn, attended a weekly customer relations staff clinic, and then had refreshments.



Chicago City Bank and Trust Company and the Mutual National Bank of Chicago exhibited at the local Auto Show an exact model of the banks' drive-in windows. The display shows a convertible parked in front of the unit while a customer makes a deposit. The money is placed on a turntable which swings inside the booth to the teller who validates the deposit book which the turntable delivers back to the customer.

Shares in America

THRIFT and good citizenship are primary aims of the current Savings Bond drive, Secretary of the Treasury Snyder told state bankers association officials gathered in Washington on the eve of the campaign which started May 15. The Secretary characterized it as a "stimulation" campaign, designed to awaken greater public interest in the affairs of the nation.

Attending the meeting were presidents and secretaries of state associations and A.B.A. Savings Bond chairmen for each state. H. Frederick Hagemann, Jr., president, Rockland-Atlas National Bank, Boston, and chairman of the A.B.A. Committee on Treasury Savings Bonds, presided.

In noting criticism of the Savings Bond program, Secretary Snyder said there is "no more relation between the Federal deficit and Savings Bonds than in any of your banking operations when you are handling an all-out management program."

Other speakers on the program were Reno Odlin, president, Puget Sound National Bank, Tacoma, Washington; W. W. Campbell, president, National Bank of Eastern Arkansas, and chairman A.B.A. Agricultural Commission; H. Arno Johnson, vice-president, J. Walter Thompson Company, advertising agency, who discussed the business outlook, and Sidney G. Tickton, assistant director of the Treasury technical staff, who presented, with illuminated slides, a broad picture of the Government's fiscal program.

Following a luncheon, the group heard ECA Administrator Paul G. Hoffman discuss the economic situation in Europe.

In the course of his talk Mr. Odlin said: "Let's make the Savings Bond drive a vehicle for an educational program led by the bankers of the United States to try to bring about through that indirect approach some sound financial policy in this country . . .

"Now, how can you do it from a

practical standpoint? I don't think there is any difficulty about it at all. You have men in your banks who are invited every day to come to service club meetings, to go to civic meetings, and the like, to participate in this, that, or the other community activity. They can use this program as a vehicle for their talks. They can use it as subject matter. You can give out statements to your local press.

"You can take leadership in many, many directions in all financial affairs, and I am inclined to think the public will accept and welcome that leadership. They look to you privately and individually within your banks for guidance and advice on financial matters, and they will take your guidance and advice in financial matters on the broader scene with respect to national finances, bond drives, and the like.

"Some of these days we will unfreeze investment capital in this country; some of these days we will get it rolling again. We will start putting some incentives out in front of enterprise and thrift and we will stop putting a premium on shiftlessness, which has been going on for

quite a while. And in that development, banks can play a leading part. I think it is not only an opportunity, it is a responsibility that the banks in this country have no right whatever to dodge."

At another point he said: "Now, I share these criticisms that I have heard about the waste of Government funds and all that sort of thing; I am just as apprehensive as anybody else is. I am just as apprehensive about the long-range future of this thing if we don't stop and turn in the right direction and quit overspending and quit trying to borrow our way continuously into a permanent prosperity. But I am also aware of the fact that the Treasury hasn't got a great deal to do with that, and so are you. The appropriations are made by the Congress of the United States, not by the Treasury Department; and the Treasury is then faced with the problem of raising the funds in the most advantageous and the least damaging way that it can. The correction of the extravagance and waste, to whatever extent you are willing to admit that it exists—and I guess you will all

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Left to right at the Treasury's meeting with state bankers association officials are: Mr. Johnson, Mr. Hagemann, Secretary Snyder, Sidney G. Tickton, Mr. Campbell, and Mr. Odlin



Home Grown Bank Displays

BANKING invites all banks that install anniversary exhibits between now and September 1 to forward photographs of their displays, either window or lobby. The best of these photos will be placed on exhibition during the Association's annual convention in New York next September.

Inquiries regarding the exhibits described in the following article may be addressed to BANKING.

THE 75th Anniversary of the American Bankers Association offers every member bank an opportunity to direct public interest toward banking in general and the local bank in particular.

Everyone knows the efforts made so far to publicize the 75th birthday celebration. Among the promotional undertakings has been the commemorative stamp issued earlier in the year; also BANKING has published

The Indian chief trademark of the National Shawmut Bank, Boston, lends quiet dignity to this attractive window display, spotlighting the A.B.A.'s 75th anniversary celebration. Old prints and photographs of the bank's early and present quarters are featured. A series of advertisements which ran over a period of years in *Fortune* point up the growth of the bank and its contributions to industry and better living

numerous reminders of achievements in the banking field during the Association's lifetime. Here is enough material upon which to base local promotion. But more important are the community angles that can be publicized in order to feature the local bank's contributions to banking in its own locality.

One of the least expensive and certainly an effective means of focusing attention on the Diamond Jubilee is the lobby or window display. Through displays, the individual bank can automatically localize the overall celebration at the direct point of contact with the bank's own customers.

To any bank considering a display tying in with the A.B.A. anniversary, the first thought that comes to mind is, "How shall we go about it?"

In order to get across the full impact of the A.B.A.'s achievements,

it is well for the bank preparing a display to bear in mind that the focal point of the display should be directly related to the 75th Anniversary. In order to emphasize and to illustrate this point there has been prepared an exhibit, or setpiece, which is designed to be the central feature of any local anniversary display. This piece reflects the dignity of the banking industry and dramatizes pictorially the achievements of banking and their salutary effect on our country and the people. Constructed by Maurice F. Blouin, well known bank display designer, it is shown in the two illustrations on these pages.

This exhibit, or setpiece, has been photographed as the focal point of a typical anniversary display, in both a small town bank and a major city bank. The pictures on these pages show how readily an anniversary display that will do justice





When creating the South Berwick (Maine) Trust Company display the bank staff found a pair of old shears that were used to cut the bank's national currency. They also located some of the original national currency, and shears and currency were exhibited together. For years this bank has encouraged officers to serve without remuneration as trustees of the local academy or high school. This is pointed up by showing old and new pictures of the academy and a photostat of the original grant of incorporation—the chief signatory of which was John Hancock. Also in this exhibit are photographs of each president of the bank since its founding and of the bank's successive cashiers. In the center is the handsome setpiece which spotlights the local bank's tie-up with the A.B.A. Anniversary

to both the A.B.A. and the celebrating bank can be assembled by using this setpiece and a little imagination in collecting material.

The first place to look for material is in a bank's own archives. Here, the bank will find an interesting array of miscellaneous objects which in most cases show graphically the evolution of banking, the improvements in banking procedures and operation, and the dramatic portrayal of a local bank's contributions toward developing local industry, fostering better government, and ultimately fashioning better living standards in the community.

After a search of the bank's own archives, the chief sources of supply for an anniversary display are possibly the local historical society, various local organizations, fraternal, social and otherwise, the local library, and county and state historical societies. Then there are the bank's own depositors and business

customers as well as the bank's staff.

A bank can have more than a one-shot celebration of the anniversary as it is quite likely that, once a bank has installed an anniversary exhibit, much material will become available because of the interest the display will have created. For instance, one exhibit can tie in with the commemorative stamp. This exhibit might feature a blowup of the stamp, surrounded with stamps from the collection of a local philatelist. Another in the series can be the romance of money, portrayed by showing the collection of a local numismatist. Also constructive from the standpoint of building good customer relations is the local bank's efforts to show the growth of the town's major industries—a growth which, through sound financing and active interest in company affairs, the bank has helped develop.

An interesting means of focusing

attention on the developments and improvements both in industry and in living conditions throughout the last 75 years is to get photographs that will show the contrast between the way things were done "then and now." Such photographs would show the evolution that has taken place in various fields—for instance, old and present-day bank equipment, travel, transportation, living conditions, and so on.

The part that banking has taken in helping to finance our wars through the sale, distribution, and handling of Government securities can be dramatized by showing photographs of the wars during the last 75 years. The local American Legion, Veterans of Foreign Wars, and other organizations, as well as National Guard units and others, can furnish much material of an interesting nature.

No matter what type of display is
(CONTINUED ON PAGE 128)

50 Years, 31,000 Graduates

JOHN L. COOLEY

At Minneapolis (see cover) beginning June 11, the American Institute of Banking holds its Golden Anniversary Convention. Established by the American Bankers Association in 1900 to provide practical education for bank personnel, the A.I.B. now has nearly 100,000 members and more than 31,000 graduates, many of whom have important positions in the country's banks.

The Minneapolis convention opens with a commemorative program, planned by the Fiftieth Anniversary Committee, at which the 50 years will be reviewed. Honors will be paid to past national officers and to the late Joseph Chapman, Jr., whose Minneapolis Bank Clerks' Association, which had its beginnings in 1898, was the first educational organization formed by and for bank clerks. Fred I. Kent, first national president of the Institute, will make the principal address at this meeting.

The following article provides a glimpse of the A.I.B.'s background, its unique features, and its original curriculum.

I.

IN good old non-atomic 1900, the year the American Institute of Banking was born, a man could buy a suit for about \$15, a dinner for a quarter, a bushel of wheat for 70 cents. His wife paid a cent apiece for eggs and 25 cents a pound for butter.

The income side of the ledger, naturally, showed proportionate figures. Office workers got around \$10 a week, laborers a dollar a day.

For the average American householder the electric light and the telephone were luxuries. The phonograph was a squeaky tin horn, the automobile a new-fangled contraption that was as undependable as it was noisy. For many years to come, its owner would have to "get out and get under."

The highways still belonged to the horse. Two brothers named Wright, fussing with a thing called a glider, were preparing to let man share the skyways with the birds, but few people knew that.

Pushbutton entertainment was some years' distant. There were no

movies around the corner (if you lived in a city or town), although in season there might be a Chautauqua or a stock company. For escape reading you had "David Harum," "Janice Meredith," "Richard Feverell," and Kipling, Howells, Bacheller, Mark Twain. For a bit of harmonizing around the parlor piano you tried "Tell Me, Pretty Maiden" and "Strike Up the Band, Here Comes a Sailor"—one of Admiral Dewey's boys, no doubt.

"Coin's Financial School" was a popular book with those who liked their economics in homeopathic doses, without particular concern for the accuracy of the diagnosis.

But sufficient unto the day is the environment thereof, and life was far from dull in 1900. There were, for example, those little brown brothers whom the United States Navy and a decadent Spain had turned over to Uncle Sam. The war with Spain had extended America's horizon, responsibility and prestige. The nation was emerging from the Gay Nineties as a world power.

"Imperialism!" shouted Mr. Bryan and the Democrats.

"Nonsense!" countered the Republicans and President McKinley. "It's Expansion! It's Destiny!" A closer definition might have been Growing Pains, an old ailment among nations.

Anyway, the voters reelected Mr. McKinley and Congress passed the Gold Standard Act, squelching Mr. Bryan and Free Silver.

And the American Bankers Association, in convention at Richmond, Virginia, voted to establish an educational organization for bank clerks.

BUSINESS was good in 1900. America was coming into the industrial and commercial maturity that would establish her in the new role of creditor nation. She had shaken off the depression that followed the Panic of 1893, a financial crisis caused by an unsound currency, and the movement toward big corporations, interrupted during the

middle of the not always gay Nineties, was again flexing its muscles.

Prosperity demonstrated a new that the United States needed its banks and that broader financial services were required to meet the demands of commerce at home and abroad. So banking, too, was expanding. At the end of 1899 the nation had 13,000 banks; the 10,382 that reported for the year had deposits of \$7,300,000,000 and outstanding loans of \$5,675,000,000.

But the dislocation of '93 had hurt millions of Americans. Some people, tutored by demagogues, had blamed the banks for a smash that was basically of political origin, with the result that financial institutions had spent some time in the doghouse. Mindful of their unpleasant experience, the banks had taken steps to mend their public relations fences, organizing through the American Bankers Association a committee charged with bringing to the people banking's views on economic issues.

BY 1900 bankers had come to realize that perhaps the best advocate of their cause was the man who, day in and day out, met the run-of-the-mill customers; or, working behind the scenes on his book-keeper's stool, did the chores that kept the bank in business. This fellow was the "bank clerk"; in those days only officers were "bankers." He worked hard, carried heavy responsibilities, possessed unusual qualifications. He had to be courteous, accurate, tactful, diligent, honest, reliable. To many people, then as now, he was "the bank."

In this new era America was entering, the bank clerk was a very important person, and many banks believed something should be done for him. Just what was another matter, but a possible alternative lurked around the corner. Trade unionism, which had accompanied business into the mid-90's slump, was again expanding briskly. True, the unions themselves thought they had nothing to offer the bank clerk; yet some bankers wondered whether he might be interested.

The bank employees, highly intelligent, were also ambitious and self-reliant. They wanted to get ahead, and expected to earn their promotions. Some of them felt that the opportunities for advancement would be brighter if a fellow had a chance to learn about the job ahead—in other words, if he could study for it.

Study, training—that was it! Education had undergone some startling changes by 1900. More young Americans were going to school than ever before. And practical education as equipment for coping with the increasingly complicated problems of life in a mechanized age had greater appeal than did Latin, Greek, philosophy, and higher mathematics. Commercial law, bookkeeping, accounting looked more attractive.

Business and correspondence schools helped meet the appeal, while colleges and universities, breaking from the academic formalism they had imported from Europe, were liberalizing their curricula. It was apparent that 20th Century business would require greater skills, greater specialization—especially in banking.

In Britain the bank employees had organized a successful educational institute two decades before. In the United States the clerks in a few cities—notably Minneapolis where Noteteller Joseph Chapman, Jr., inspired a local study group—were interested in developing educational facilities or were profiting

from opportunities provided by perceptive management. Some of their number were urging, before 1900, that the American Bankers Association come to their aid by providing a program.

As every banker knows, the A.B.A.'s answer was the American Institute of Bank Clerks, which a few years later became the American Institute of Banking.

II.

THE gray-haired man with the rimless spectacles and the Scottish burr was talking about the A.I.B. His audience, the Educational Conference at the organization's 1947 convention, listened closely as he developed, with the precision of the trained orator, his theme, "The Uniqueness of the Institute."

Many of the men and women in that Detroit hotel parlor thought they knew much about their A.I.B., but Dr. William A. Irwin, the national educational director, was putting a new angle on it. Somehow the Institute's unusual features had never been pointed up so sharply.

"The Institute," Irwin was saying, "has no campus in the accepted meaning of the term. It is without administration buildings, classroom buildings, library buildings, 'labs,' memorial unions, gymnasiums, dormitory buildings, fraternity houses, and the other paraphernalia that constitute the physical equipment of American colleges and universities.

"For these it substitutes a few

chapter headquarters rented in the hearts of great metropolitan cities, but only a few, because local chapter administration is carried on in bookkeeping departments, in tellers' cages, in directors' rooms loaned for an evening, in chamber of commerce or Y.M.C.A. rooms, or in a hundred and one other locations that do not exclude even the living room of a member's home."

Irwin paused a moment and looked at his audience. It was a characteristic gesture; the conference members knew he had something special for them. He did.

"Instead of ivied elms, there are telephone poles. Instead of the shady quiet of a lovely campus, there is the roar and din of city traffic. Instead of a study hall, with signs that impose silence, there is a seat in a subway, on a street car, bus, suburban train, or jalopy. It is not an ideal atmosphere for concentration on studies; but it works, even when a married man prepares in his living room for a final examination while the newest addition to his responsibilities squawks in the nearby bedroom.

"No campus? No! But the three million square miles of America is the substitute. And with this as a substitute campus, the American Institute of Banking does a respectable job in its unique way."

The A.I.B. would long remember that speech. With dramatic simplicity, it had drawn, in Irwin's well-burred words, the picture of the

(CONTINUED ON PAGE 116)

Delegates to the Institute's Minneapolis convention of 1905



A.I.B. Presidents—1903-1950

THE 48th president of the American Institute of Banking will be elected at the Institute's Golden Anniversary Convention in Minneapolis on June 11-16. Of the 47 bankers who have had the privilege of heading the A.I.B., 31 are living and a majority hold official positions in banks. Twenty-seven of the past presidents will attend the convention.

During a commemorative program on June 11 the former presidents will be presented with specially designed jeweled rings bearing the Institute's emblem and inscribed with the word "President." They also will be made life members of the A.I.B. and presented with gold membership cards.

Photographs of all but two of the Institute's living past presidents are shown on these pages. The year in which each was elected to the presidency appears with his name. Not included are Robert B. Locke, now with the Reconstruction Finance Corporation in Detroit, and Carter E. Talman of Richmond, Virginia. The convention program and a list of the deceased past presidents may be found on page 82.



HARTWELL F. TAYLOR—1949
Assistant Vice-president,
Bank of Virginia, Richmond



FRED I. KENT—1903
Director, Bankers Trust Company, New York



FRED A. CRANDALL—1906
Retired
Pasadena, California



BYRON W. MOSER—1912
Retired
St. Louis, Missouri



ROBERT H. BEAN—1915
Retired
Oradell, New Jersey



RUDOLF S. HECHT—1917
R. S. Hecht & Company,
New Orleans



J. CAMERON THOMSON—1918
President, Northwest Bancorporation, Minneapolis



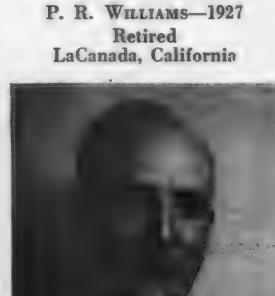
GARDNER B. PERRY—1919
Partner, Georgeson & Company, New York



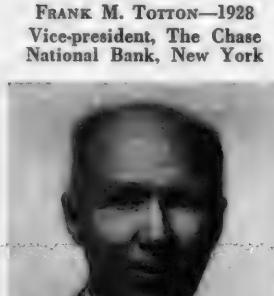
CLARENCE R. CHANEY—1923
Vice-chairman, Northwestern National Bank, Minneapolis



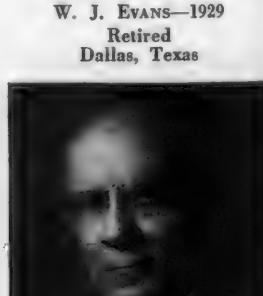
EDWIN V. KRICK—1924
Senior Vice-president, American Trust Co., San Francisco



P. R. WILLIAMS—1927
Retired
LaCanada, California



FRANK M. TOTTEN—1928
Vice-president, The Chase National Bank, New York



W. J. EVANS—1929
Retired
Dallas, Texas

29 of the 47 Men Who Have Headed A.I.B.



FRANK N. HALL—1932
Assistant Vice-president, Fed-
eral Reserve Bank, St. Louis



A. S. PUELICHER—1933
President, Marshall & Ilsley
Bank, Milwaukee



CHARLES F. ELLERY—1934
Vice-president, Fidelity Union
Trust Co., Newark



MAYNARD W. E. PARKS—1935
Assistant Vice-president, Fed-
eral Reserve Bank, Kansas City



HENRY VERDELIN—1936
Vice-president, The Mutual
Life Insurance Co., New York



MILTON F. BARLOW—1938
Vice-president, Johnson County
National Bank & Trust Co.,
Mission, Kansas



HARRY R. SMITH—1939
Vice-president, Bank of
America, San Francisco



J. L. DART—1940
President, Florida National
Bank, Jacksonville



GEORGE T. NEWELL—1941
Vice-president, Manufacturers
Trust Co., New York



DAVID E. SIMMS—1942
Assistant Manager, Federal Re-
serve Bank of San Francisco,
Seattle



DAVID L. COLBY—1943
Vice-president, The Boatmen's
National Bank, St. Louis



WILLIAM C. WAY—1944
Trust Officer, Central National
Bank, Cleveland



DAVID T. SCOTT—1945
Assistant Vice-president
First National Bank, Boston



GEORGE J. GREENWOOD—1946
Vice-president, The Bank of
California N. A., San Francisco



GARNETT A. CARTER—1947
Vice-president, The Fulton
National Bank, Atlanta



PIERRE N. HAUSER—1948
Vice-president, First Wisconsin
National Bank, Milwaukee



WIDE WORLD

Washington in the early 1800's, from the Maryland bank of the Anacostia River. In the foreground across the river is the Navy Yard, and back of it on the hill is the Capitol. To the left, in the background, is the "President's Palace," as the White House was then called. The Capital City's sesquicentennial is being celebrated this year

The Legislative Score So Far

LAWRENCE STAFFORD

So far during this session of Congress, the banking world has pretty well ducked the legislative curves pitched in its direction.

There has been a complete turnaround in bank holding company legislation, with Congress leaning toward a clear-cut, definite regulatory bill in place of the broad, discretionary proposal pending for some years.

Although the President has come forward with his small business financing aid program, it looks as though a combination of hostility and inertia will keep it from going the length of the legislative assembly line.

Proposals advanced once more to tinker with the independence of the bank supervisory agencies were again illuminated—with a hostile report of a congressional committee.

At this writing the prospect appears good for enactment of the bill providing a substantial reduction in the cost of Federal deposit insurance through granting assessment credits against deposit insurance liability at the end of each

year, after deduction of FDIC operating expenses, losses if any, and reserves. The FDIC passed the word that it had abandoned any idea of opposing the assessment credit bill, notwithstanding exclusion of a provision the FDIC thought important.

This was the amendment, defeated in the Senate Banking Committee, to permit FDIC to make an independent examination of possible "trouble spot" banks without advance written permission of the Federal Reserve Board.

ROBERTSON HOLDING COMPANY BILL

Senator A. Willis Robertson (D. Va.) chairman of the Banking Subcommittee on Federal Reserve Regulation, has offered an entirely new bill providing for the regulation of bank holding companies. Under this bill, bank holding company status arises from ownership or control of a majority of the shares voted for election of the directors of an insured bank. The proposed law would also apply to "any corpora-

tion or other organization which controls in any manner the election of a majority of the directors" of an insured bank. The latter definition, however, exempts those who "accidentally" or "incidentally" have such control, such as trust funds.

The Senator's bill does not propose to prevent the growth of bank holding companies, but to control their growth. The Senator, in introducing his measure, said it was clear that these companies have in some cases performed meritorious services by establishing or continuing banking facilities in communities which otherwise would lack such facilities.

"In view of these considerations the proposed measure, in general, forbids holding companies to acquire any bank stock except with the approval of the Federal bank supervisory agency which is most familiar with the particular bank involved," he explained.

"For the guidance of the agencies in the exercise of their discretion in this matter, the proposal contains a

declaration of congressional policy in favor of local ownership and control of banks and competition in the field of banking."

Finally, the Robertson bill forbids bank holding companies to be interested in nonbanking corporations or organizations. Holding companies are given a five-year period in which they must dispose of nonbanking assets. The bill provides relief from the penalties of Federal income taxes which otherwise would be levied in the disposition of such assets.

Senator Robertson thinks his bill has a number of advantages:

(1) The definition covers all known bank holding companies, but does not make possible the extension of Federal regulation over unknown parties.

(2) The bill provides simply that a bank holding company cannot buy another bank without the approval of the bank supervisory agency that knows most about the bank and the way it is meeting the needs of its customers.

(3) The bill proposes a "clean-cut" divorce of nonbanking business from the holding company setup.

(4) The bill proposes the enforcement of violations as criminal offenses through the Department of Justice.

(5) It avoids all paper work, records, examinations, investigations, and all other forms of "typical Government red tape."

(6) It is a bill which, in the Senator's opinion, is simple, comprehensive, and nondiscriminatory. He says that it can be understood by a layman.

Senator Robertson asserted that banking groups, the Secretary of the Treasury, the Comptroller of the Currency, the FDIC, and the Association of Supervisors of State Banks endorse his bill. Thus it becomes the most active measure offered on this subject since 1935, and is likely to be the proposal on which consideration will center.

The measure is the preliminary culmination of some years of agitation for legislation on this subject. In 1947 the Federal Reserve Board submitted a bill which was reported out unanimously by the Senate Banking Committee. Although placed on the calendar it was not called up for floor consideration be-

cause it became apparent that the committee had not discovered some considerable opposition to the provisions.

Earlier this year the Virginia Senator introduced another bill which he candidly said was drafted by the Federal Reserve Board; it did not differ greatly from the 1947 bill. The Senator, in an open "confession of error," repudiated the bill.

"I discovered that the bill carried a larger grant of discretionary powers to the Federal Reserve Board than I could approve and did not, in my opinion, adequately safeguard the interests of the States with respect to state laws affecting banks and holding companies. So I proceeded to draft a substitute bill," the Senator declared.

The new Robertson bill, the Senator explained, was opposed by the Federal Reserve Board and by two Senators who sympathize with the Board's viewpoint, because it eliminated the large grant of discretionary powers contained in the bills drafted by the Board.

Thus, the banking world, after its views had been heard in public by a Senate subcommittee, succeeded in modifying a bill aimed at vesting in a Federal agency, broad discretionary powers over some phases of its business relationships.

COMPTROLLER'S INDEPENDENCE UPHELD

Virtually every argument advanced by the banking world, under the leadership of the A.B.A., against the plan to deprive the Comptroller of the Currency of his independent status, was borne out in the majority report of the Senate Committee on Expenditures in the Executive Departments. It was before this committee that the hearings were held on Reorganization Plan No. 1.

This plan proposes that all powers, funds, and functions of every agency and office of the Treasury Department be turned over to the Secretary of the Treasury. The Treasury Secretary, in turn, could redesignate whom he pleased to supervise national banks under the

Canada's Search for \$\$\$

The editors of more than a dozen U. S. business magazines went to Canada recently to hear direct from the Dominion's top officials a frank discussion of Canadian problems and what is to be done about them.

The editors, members of the Society of Business Magazine Editors (of which BANKING is a member), were guests of the Canadian Business Paper Editors Association. In both countries, the editors' groups meet once a year at the other's capital. In both instances, the officials talk for "background," providing in this way information not attributable to any particular official. This permits frank discussion.

Canada, the editors learned, is intensely preoccupied with obtaining dollars to meet its merchandise deficit with the United States. One-fourth of Canada's consumption is imported; one-fourth of its production is exported. It is now the world's third largest trading nation, ranking just after the United States and the United Kingdom. The dollar problem was aggravated with the fall of sterling. Canada formerly sold its large excess sterling in world markets for dollars to finance imports from the U. S.

Thus Canada is vitally interested in the success of President Truman's Point IV program. Any device which would put more dollars in foreign hands would, by the ways of commerce, make it possible to obtain more of those dollars by selling.

It was learned that Canada has a project which it is anxious for the United States to adopt. The defense plans of the two countries are so intimately connected that they are adopting common armaments. Canada hasn't the capacity to produce economically certain weapons, such as tanks, and wants to be able to buy them from the U. S. It would like, with U. S. sanction, to specialize to a limited degree in producing certain war weapons, such as jet fighters, and sell them to the U. S. This would produce dollars with which the Dominion might then purchase tanks and other war necessities.

literal language of the reorganization plan. There was no suspicion that the incumbent Secretary of the Treasury had any thought of impinging upon the present independence of the Comptroller's Office. In fact, Secretary Snyder wrote to the committee opposing the plan insofar as it applies to national bank supervision.

"The effect of the plan would be to destroy the present independence of action and broad powers of the Comptroller of the Currency to the detriment of the national banking system," said the majority report. This report recommended adoption of the resolution by Senator Robertson, thereby expressing the Senate's disapproval of this plan. Such a resolution of disapproval is the procedure provided for the vetoing by Congress of any reorganization plan.

This reorganization plan, said the committee "is contrary to the accepted principle established by Congress that the exercise of the quasi-judicial functions, now administered by the Comptroller of the Currency, should not be controlled by the President."

In all, the majority of eight on the Senate Expenditures Committee found 12 objections to this reorganization plan.

NO SMALL BUSINESS PROGRAM

Although President Truman submitted a far-reaching program for Federal assistance in the financing of small business, it probably reached the Capitol too late for any large part of it to be enacted in the present session.

First, the President proposed that Congress authorize a system of insurance of banks against their losses on small business loans, no loan in excess of \$25,000 per customer being eligible. The purpose of plan is to adapt the FHA insurance principle and technique, ostensibly, to such loans.

Second, the President proposed that Congress authorize the chartering of national investment companies to be owned by banks and other private investors to provide both equity capital and long-term loans for small business.

Third, the President asked that the powers of RFC be expanded. He would remove the present one-year business loan maturity limit and substitute one of 15 years. He



HARRIS & EWING

John Beukema, of the Muskegon, Michigan, Chamber of Commerce, is the new chairman, Department of Commerce Small Business Advisory Committee

would allow RFC "to relax its collateral requirements," presumably along the line of the proposal by Senator Scott Lucas (D. Ill.), the Senate majority leader, to permit RFC to make virtually unsecured loans to small business where the maturity was 10 years or less. The President would also authorize RFC to boost its participation with a primary lending institution on a small business loan beyond the 65 percent ratio established by the 80th Congress.

Finally, the President would expand free government managerial and technical service to small business through the Commerce Department. Such services already are provided freely by the RFC.

This is in more detail the prospective program reported in its general outlines in the previous issue of *BANKING*.

It has been known for some time that the main outlines of the President's small business financing aid program were worked out a couple of months before it was formally presented. Washington wonders whether the delay may indicate that the White House has far less enthusiasm for this program than for some other measures in its 1950 repertoire.

In any case, the program was not regarded with much enthusiasm in Congress, which seems to feel that if small business is to be benefited, taxes must be reduced. Nevertheless, the Truman program and simi-

lar proposals do offer the political advantage of something to espouse.

While the President's program was pending, Senator J. William Fulbright (D. Ark.) was offering something of an antidote to Government intervention in the financing of small business. The Senator was conducting an inquiry into the operations of the RFC. He was aiming tentatively to bring out that, in his opinion, some of RFC's loans are of doubtful credit validity and soundness. He was also attempting to show the public that the RFC, as the President proposed the Commerce Department should do, is providing much free technical, legal, and managerial advice to small business at public expense.

The President himself proposed that RFC be transferred to the Commerce department. The idea came from opposite criticisms:

(1) Conservatives think RFC should not make "bail-out" loans in good times, and also are critical of some of its larger loans.

(2) Liberals say RFC has been too conservative, not sympathetic to sending a flood of Government credit to small business customers, and too tough in closing down on Lustron (a loan made by RFC on orders of the President).

Nevertheless, RFC has many friends in Congress who feel its independence should be preserved to guard against the possibility of political lending.

SOFTER MORTGAGE CREDIT

Meanwhile, the "liberals" have brought about a great softening in mortgage credit, and the Treasury's budget outlook is deteriorating from month to month. While conservative lending policies scored a notable and clean-cut victory with the defeat of cooperative housing, other sectors of mortgage financing legislation softened the credit outlook.

Congress abolished the combination FHA-GI loan on or before December 31, 1950, by eliminating Section 505 (a) and the Veterans Administration promptly announced that these loans would be terminated on October 20. This means that more loans thereafter must be GI—if they are to be made—instead of FHA. At the same time, however, Congress lengthened the terms of GI loans from 25 to 30 years. In

(CONTINUED ON PAGE 110)

"We Shall Know Each Other Better"

At the 1949 commencement of The Graduate School of Banking, conducted by the American Bankers Association at Rutgers University, Dr. Harold Stonier, director of the School, referred to a song which is familiar to all of the 2,275 graduates.

He said: "June 15, 1935, was the opening day of the first session of The Graduate School of Banking. That evening as the 220 men in the G.S.B. sat down to dinner a summer storm was raging outside. During the course of the dinner the storm ceased and a bright evening sun came through the windows of the old dining hall. When Mr. Brines started our singing that night he introduced the men to a very old hymn which was appropriate to the time and hour—'When the Mists Have Rolled Away.'

*When the mists have rolled in splendor
From the beauty of the hills,
And the sunlight falls in gladness
On the river and the rills,
We recall our Father's promise*

*In the rainbow of the spray;
We shall know each other better
When the mists have rolled away.*

"The words and spirit of that hymn have been identified with the School ever since, and each graduating class has sung the hymn."

"The boyhood days of your lives were the early years of this century," said Dr. Stonier in his charge to the graduates. "They were placid years. Over most of the English-speaking world peace reigned. Production increased, progress in the arts and sciences proceeded at a new pace; initiative, hard work and education brought rewards to men individually and to states collectively.

"This recipe for success had been outlined in the Magna Carta in England in 1215 and reaffirmed in our own Federal Constitution five centuries later. These two documents have been the lodestars of our spirit and advancement. "For the first time in history these documents related the rights of the individual to life and liberty to his right to own and control private property, free from exploitation of the Crown in British lands or from the state and Federal governments in our own. In other words, property rights were the necessary supplement to the maintenance of *human* rights.

*In the rainbow of the spray;
We shall know each other better
When the mists have rolled away.*

"When you were in your teens, a group of ambitious men rose to power in Russia. They had organized the vicious, the criminal, the thir-

less. By pillage and murder on a dark night in old St. Petersburg they stole the Russian Revolution away from Kerensky and his followers and set up one of the most inhumane governments of all times. From this platform 11 years ago this month Everett Dean Martin gave the background and details of that tragic event.

"All these so-called revolutions of our day, including the one now going on in England, are based on the premise that happiness and human welfare can be achieved *only* by cutting men down to the economic level of the lowest. This, they say, is a prerequisite to the Welfare State. No present-day conviction rests on a more fallacious base. Even in animal life you must breed upward to improve the stock.

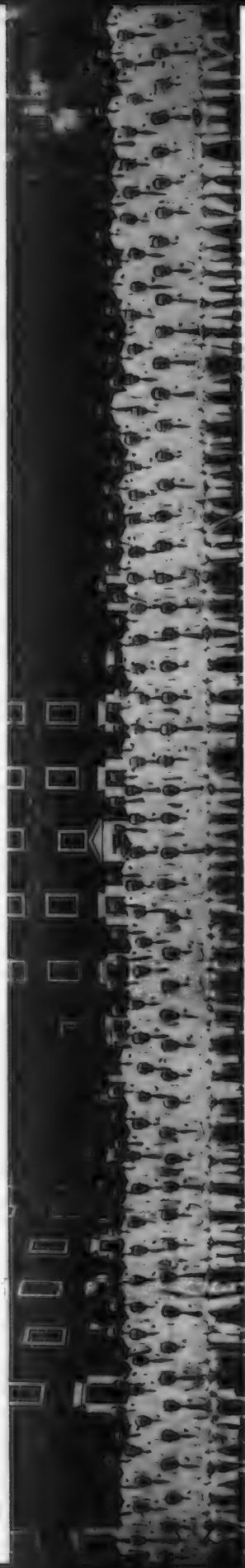
"This school from which you are graduating tonight was founded to reset the thinking of successful men to problems of today and of the future. You are intelligent men or you would not be here. All the wisdom, all the patience, and all the courage you possess will be required to meet the sinister forces which are rampant in the world today—and remember, the world includes America."

CLASS OF 1937 (Additional class pictures appear on pages 48-51.)

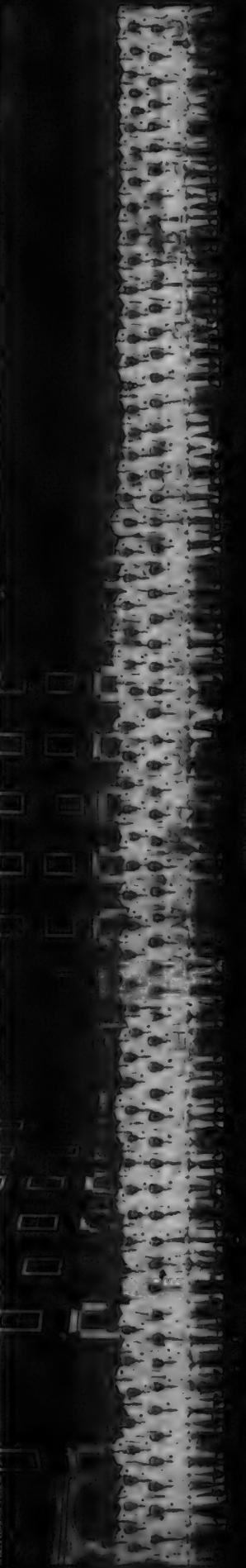




CLASS OF 1938

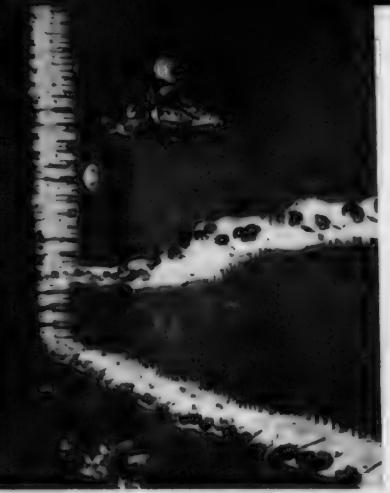


CLASS OF 1939

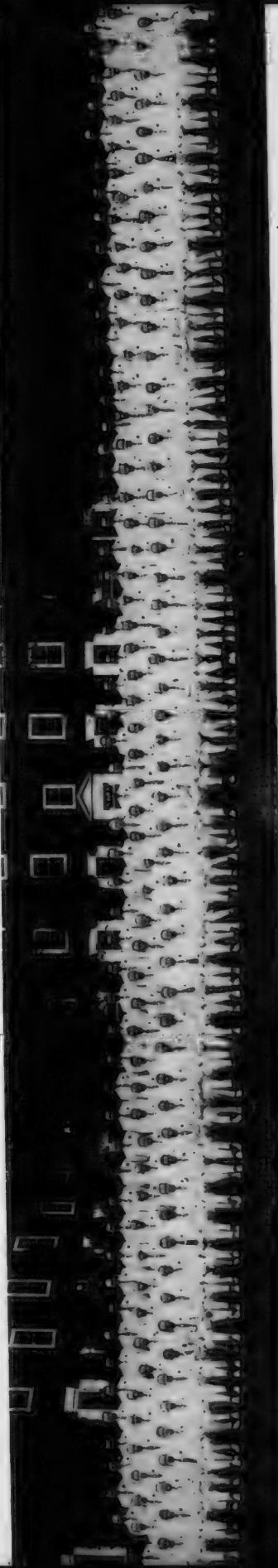


CLASS OF 1940

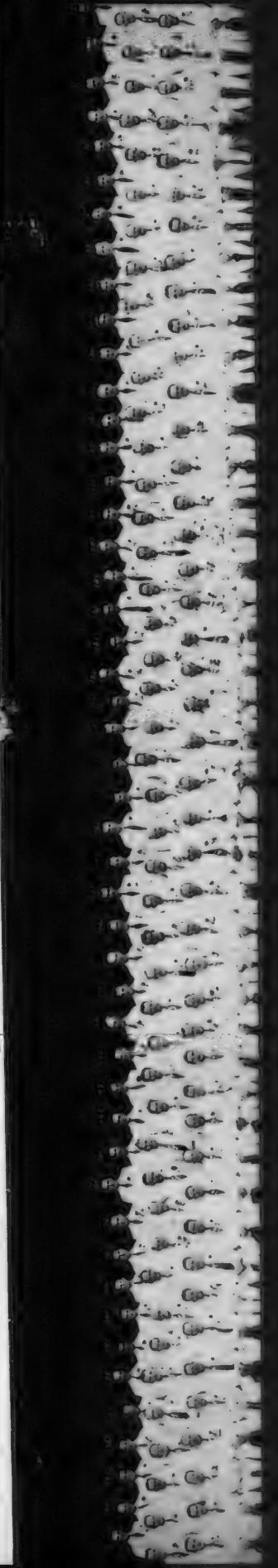
Scenes from the 1941 session. (No class picture available.)

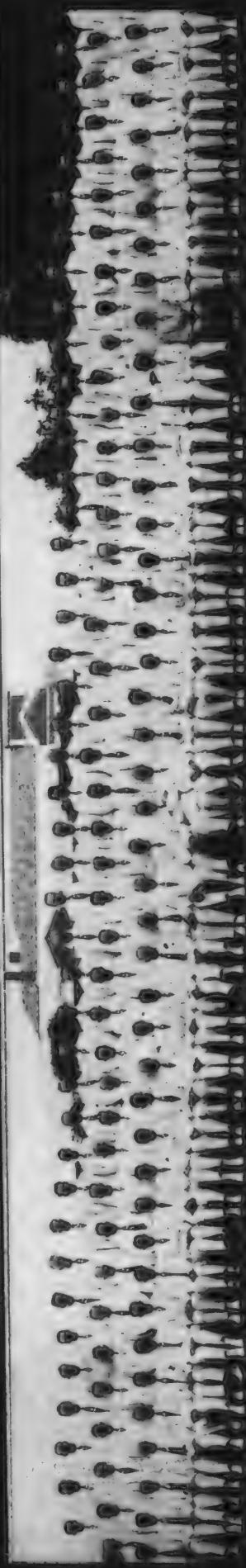


CLASS OF 1942



CLASS OF 1943

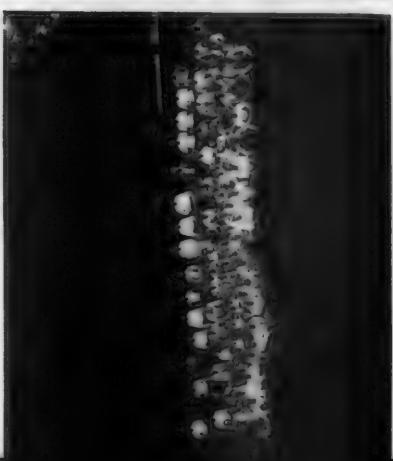




CLASS OF 1944



CLASS OF 1945



Scenes from the 1946 session. (No class picture available.)

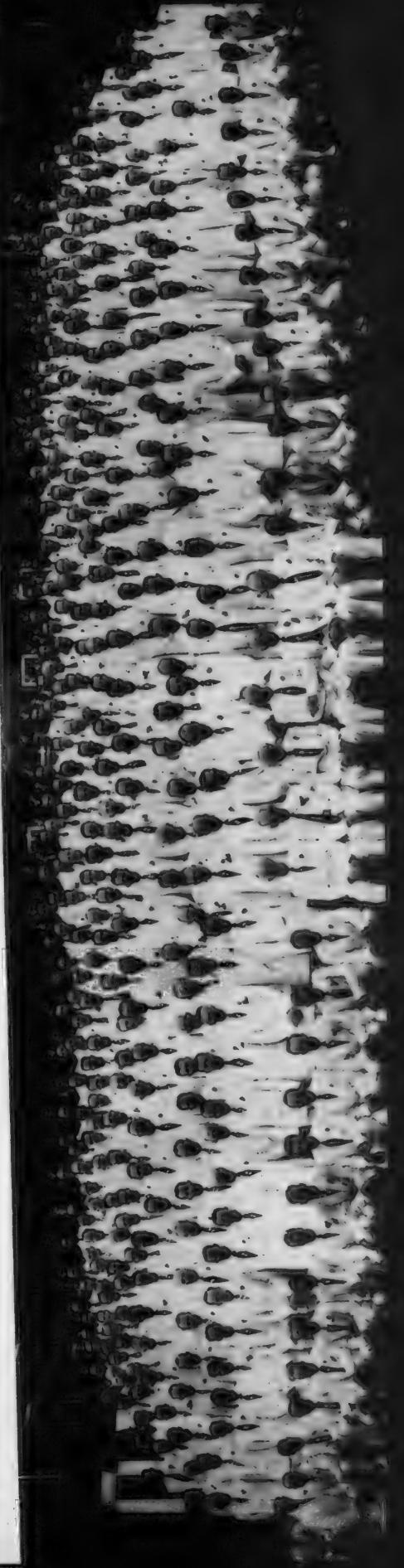
CLASS OF 1947



CLASS OF 1948



CLASS OF 1949



The Good Old Days

Drawings by WHITNEY T. KENT



Why did I ever have to go and be a banker in 1950? Never was a time when bankers had more worries than now—crazy taxes, the Government in your hair every minute, deficit spending, labor troubles, the A-bomb, H-bomb, PDQ-bomb. Phooey! When you read in BANKING about the anniversary of the A.B.A., it makes the old days seem pretty alluring. Life must have been simple then. Being a banker wasn't complicated then like it is now. Horses and buggies! Everything at an easy pace! Boy! It must really have been fun to be a banker in ...



1875 What a monotonous day this has been! Figure, figure, figure! Scratchy pens, smeary ink! Lamp wick needs trimming and I feel as if I'd been drinking kerosene. Had to walk six blocks in the mud to ask Joe Brown a simple question over at his store. Everybody down the street's talking about greenback redemption and some of the half-witted money bills in Congress. Might as well stop and fix that lamp.



1885 I've never seen bank employees so careless or so ignorant. I thought maybe having women do some of the work would help, but they're as bad as the men. Can't even add a simple column of figures. Ought to be some way for bank employees to get schooling and learn something about their jobs. It's bad enough to worry about the war scares in Europe and all this rumor-mongering about business firms here without having to check every clerk's addition.



1895 What a time to be a banker! Commodity prices go up and then we have a bumper crop and farm prices go down! Haven't had such a low crop value in a generation. And then Cleveland has to get tough with England about Venezuela. Must have been fun to be a banker before the Civil War. The Gay Forties and Fifties! The world's getting too small now—with telephones and fast trains and steamships. What happens abroad upsets us here. Too bad we can't live a simple life anymore.



1905 How she can work today, dressed like that, I don't know. If an office can be heated in winter there ought to be some way to cool it in summer. You can't work and fan, too. It's too hot to think about all these bank failures, and the insurance scandals Hughes is digging up. And now the Government wants to regulate railroad rates! What are they going to think of next down there in Washington? It ought to be possible to stop these strikes, but they go right on.



1915 More bad news! If we get into this war it'll be the worst one in history. Probably won't be anything left of us. And all this talk about foreign loans connected with the war. No good will come of that. Prices going up, and huge shipments of gold coming over here. Makes you feel like going up to Alaska or some place where there never would be any war talk. Ought to visit that farm, but my car would probably break down. It's no good and it cost a fortune. I'd be better off with a horse and buggy.



1950 Oh, well! Guess if it's not one worry it's another. Maybe I'm not so bad off after all. Think I'll call Mary and tell her I'll leave early—around 5:30—and we'll take a drive and go to a movie after dinner.



St. Louis meeting of the Personnel Committee of the Country Bank Operations Commission. *Left to right, Messrs. Thompson, Trefz, Welman, Ward, Schwartz, Lawler, Willy, Warner, Amy, and Powers*

News for Country Bankers

This selection of news dealing with various aspects of country bank management was compiled by MARY B. LEACH of BANKING's editorial staff.

Salary Manual Out Soon

COMPLETE sets of forms illustrating the step by step procedures to be followed in job analysis, evaluation, performance rating, grading, salary administration, and maintenance of program will be included in a manual outlining a salary administration program for small banks. This manual is intended as a guide to banks with from five to 30 employees in establishing sound personnel programs and is being written by the Personnel Committee of the Country Bank Operations Commission of the A.B.A., in cooperation with William Powers, director of the Association's Customer and Personnel Relations Department.

At a recent meeting of the Committee in St. Louis, Richard W. Trefz, president, Beatrice (Nebraska) State Bank, who is chairman of the Commission, said he hoped that the state bankers associations would study and discuss the

salary administration manual at their meetings, stating that it would be particularly suited for small group discussion. It will be completed during the summer and mailed so as to reach member banks between September 1 and 15.

Besides Mr. Trefz and Mr. Powers, those attending the St. Louis meeting included: Joseph C. Welman, president, Bank of Kennett, Missouri, who is chairman of the Personnel Committee; George R. Amy, deputy manager of the A.B.A. in charge of the Country Bank Operations Commission; John Thompson, Edward N. Hay Associates, Philadelphia; George B. Ward, assistant secretary of the A.B.A. Customer and Personnel Relations Department; L. M. Schwartz, executive vice-president, Citizens State Bank, Paola, Kansas; Donald T. Lawler, president, Crookston (Minnesota) National Bank; W. M. Willy, president, Security Bank and Trust Co., Madison, S. D.; and P. A. Warner, executive vice-president, Knox County Savings Bank, Mount Vernon, Ohio.

Loan Costs

IN a recent address on the granting of credit by country banks,

Arthur B. Adams, president, Beloit (Wisconsin) State Bank, said in part:

"Our regular rate on direct business is equivalent to \$6 per hundred a year; and on appliance business through dealer, approximately \$7 per hundred a year. We make modernization loans at \$6 per hundred a year. Incidentally, we don't see the need for Title I insurance. We make these loans if they look sound to us and, many times, on terms less than the maximum allowed by FHA Title I.

"We don't have a detailed audit system to know accurately the cost of each loan. We think it is possible easily to garner enough information to know whether or not you are making money on your loans. In 1949, our average loan was \$522.21, and average maturity 13 months. Gross earned income was 10.5 percent on outstandings. Twenty percent of our instalment loans are loans to small business at rates from \$4 to \$5 per hundred per year. We estimate that the average cost of setting up a loan is about \$3.50 plus handling cost of 33 cents per payment—this before losses and overhead. We figure our lowest break-

even point to be not less than a \$110 loan for six months, or a \$60 loan for 12 months. We make smaller loans for shorter periods—both direct and indirect—and, in our minds, charge the difference to advertising. Remember, a good loss leader loan often leads to a good pay load loan. You really need this information to know that your rates are high enough to allow for proper loss reserves."

Banks Support Reforestation

SINCE we prepared an article entitled "Bankers Aid Reforestation" for the May issue of BANKING, the Florida Bankers Association reaffirmed its interest in and support of forestry conservation by creating a \$1,000 forestry protective fund, to be offered in 1950 as a reward or rewards for the conviction of any person or persons causing destruction of trees or forests by setting improper and unauthorized forest fires. This fund will be administered "under such terms and conditions as the (FBA's) executive committee may determine."

Some of the Louisiana banks are in the forefront in promoting forestry conservation. Here is a brief report on what a few of these banks are doing (reports from other states will be carried next month):

The City Saving Bank and Trust Company of DeRidder, Louisiana, has taken an active interest in restoring depleted woodlands through such measures as new plantings, better fire control, and restricted cutting. Recently, to stimulate reforestation, the bank purchased a tree planter and has made it available to farmers free of charge. Most of the plantings to date have been made on a small scale, usually about five acres.

Convinced that there is a direct relationship between good forest management and stable business conditions, the Merchants and Farmers Bank of Leesville bought a 40-acre plot in the center of one of the

The aroma of hickory-cured hams lingered over Clarksville, Tennessee, during the First National Bank's first ham show. The show was organized by Vice-president Lewis C. Pace. Staff and guests, standing. Third from left, President C. W. Bailey; fifth from right, A.B.A. Deputy Manager A. G. Brown; and right, Mr. Pace. First awardee C. W. Minton, seated center

worst denuded pine areas in the Vernon Parish. This land has been fenced and a pine plantation demonstration project established in cooperation with the Extension Department of Louisiana State University, and other agricultural and forestry groups.

"Our first approach to this was through an educational program dealing with fire protection, forest management, and reforestation advertisements appearing in our weekly newspaper and sponsored by the bank," writes President Robert D. Schaefer. "We have participated actively in all conservation tours and field days held throughout the state and other sections of the country in order that we might be conversant with and able to discuss the subject intelligently with people in the community whom we might influence to participate in the tree planting program."

The Merchants and Farmers bought a tree planter in 1948 and makes it available to farm customers. In commenting on this purchase, Mr. Schaefer said: "I consider this one of the best investments we have ever made in promoting goodwill and awakening our people to the realization of the advantages of reforestation, fire protection, and forest management. As a consequence, the police jury of Vernon Parish passed a fire protection ordinance levying an



acreage tax of two cents per acre on all forest lands, and the Louisiana Forestry Commission has extended fire protection to the Parish, and has established observation towers and placed forest fire fighting crews and equipment at strategic points throughout the Parish."

The Hancock Bank in Gulfport has featured forestry conservation in its advertisements and other Louisiana banks are members of the Forestry Association. The Louisiana Bankers Association is cooperating in the "Keep Louisiana Green" program.

Dinner for 4-H Leaders

A RECOGNITION dinner for 250 4-H Club members and their leaders was recently given at a local hotel by the State National Bank and Farmers Bank and Trust Company, both of Frankfort, Kentucky. Robert M. Heath, Franklin County 4-H Club leader, presided as toastmaster, and R. P. Steptoe, public relations director of the Kentucky Bankers Association, spoke briefly on the objectives of the agricultural program of the KBA.

Other talks covered the place of the 4-H Club in the local schools, the rewards of leadership, and an exchange student talked on his visit to France. This latter talk was accompanied by a colored slide film showing the highpoints in the student's foreign visit.

The awards were presented to the 4-H girls by the home demonstration agent and the awards to the boys by the junior county agent.

A Soil Aid Program

ON national, state, area, county and community bases, West Virginia bankers annually do an outstanding job in supporting com-

The Merchants and Farmers Bank of Leesville, Louisiana, sets an example by using its own tree planter to reforest a 40-acre plot. The planter is lent to customers without charge



Curtis T. Lambert, cashier, First National Bank of Philippi and chairman of the agricultural committee of the West Virginia Bankers Association, presenting the association's \$100 check to D. T. Faugh, president, West Virginia Association of Soil Conservation Districts

plete conservation farming through the soil conservation district program. They also encourage and help individual farmers establish practices on their land. The group work is done through agricultural committees in the bankers' associations; the community work through local bank officers.

The West Virginia Bankers Association is a member of the state and national Associations of Soil Conservation Districts and it makes an annual cash contribution to further the activities of the state association.

Bankers Issue Soil Report

ONE of the numerous services that the Sussex County (Delaware) Bankers Association annually gives to the Sussex County Soil Conservation District and its cooperators is publication of the supervisors' annual report as a booklet for public circulation.

This year the association, representing 17 banks, financed the publication of an extra "slick" job designed for special circulation at the convention of the National Association of Soil Conservation Districts at Atlanta, Georgia.

Irving B. Hudson, chairman, and his associates in the district's board of supervisors, took a generous supply of the attractively printed publication to Atlanta where it attracted much attention and won a heap of commendation for the Delaware bankers.

It is a 12-page publication, with page one in two colors, that tells the story of a year's progress in conservation farming, largely through the use of pictures with brief captions. Twenty-two pictures are used. The copy was prepared by the supervisors with the assist-

ance of the cooperating U. S. Soil Conservation Service and the Agricultural Extension Service. Members of the Sussex County Bankers Association are: Greenwood Trust Company, Greenwood; Baltimore Trust Company at Bridgeville and Selbyville; Milford Trust Company, Milford; Rehoboth Trust Company, Rehoboth; Sussex Trust Company at Lewes, Laurel and Milton; Georgetown Trust Company and Farmers' Bank at Georgetown; Lewes Trust Company, Lewes; Millsboro Trust Company, Millsboro; Seaford Trust Company, Seaford; First National Bank at Dagsboro, Frankford and Seaford, and Peoples National Bank, Laurel.

Strickland Award Winner

AT the annual meeting of the Georgia Bankers Association in Savannah, the Robert Strickland Agricultural Memorial Award for Distinguished Service to Agriculture during 1949 was presented to the First National Bank of Cartersville.

The First National received a large bronze plaque, depicting the

dawn of a new era of agricultural progress in Georgia, and the opportunity to select a student in its area to receive a \$2,000 scholarship to any college of agriculture in the University System of Georgia.

The Strickland award, including the scholarship, is presented each year by the Trust Company of Georgia in memory of the late Robert Strickland, president of the bank until his death and former president of the Georgia Bankers Association, who was an outstanding leader in the agricultural and industrial development of the state.

The plaque was presented by Dr. Harry L. Brown, dean and director of the University of Georgia's College of Agriculture. Marshall B. Hall, president of the Trust Company of Georgia, presented the scholarship. W. N. Shadden, executive vice-president of the First National, accepted the award.

Mr. Hall also presented checks for \$1,000 to George M. Bazemore, president of the First National Bank of Waycross, and C. R. Bradford, president of The Farmers Bank, Monroe, whose banks won the 1947 and 1948 awards. The additional money will equalize the scholarships of students selected by those banks.

Mr. Hall praised the Carterville bank for the strong, virile agricultural department it has built up under the guidance of Clyde C. Medlock, agricultural representative. Among the contributions of the First National to diversified agriculture, mentioned by Dr. Brown, were: (1) Financing of a tractor and bulldozer for the Bartow Crop Improvement Association; (2) financing of 18 new dairies in Bartow County; and (3) assistance to 4-H Club and FFA members.





WHAT MAKES A CUSTOMER PREFER YOUR CHECKING ACCOUNT SERVICE?

Your customers open checking accounts with you because your bank has won a reputation for good service. You have won this reputation by rendering efficiently and expertly all the services that a customer has the right to demand. It is a bank like yours, offering *only* the best in every service, which most enthusiastically promotes the sale of American Express Travelers Cheques. For these travelers cheques give your customers the greatest assurance of complete satisfaction.

AMERICAN EXPRESS TRAVELERS CHEQUES never let you or your customers down

Known On Sight! Your customers will find American Express Travelers Cheques are the best known, the most widely accepted cheques in the world. They're easy to spend anywhere because for 59 years American Express has vigorously promoted and advertised them.

Help Available Everywhere! Your customers never have to worry about being stranded if their cheques are lost or stolen. They'll get quick help wherever or whenever they need it. At home and abroad, 161 conveniently located offices are always ready to give assistance... or a quick refund.

Real Confidence-Building Service! You can be confident your customers will receive the same excellent service you insist they get throughout your bank. So don't take chances with your customers. Sell them American Express Travelers Cheques—they'll never let you or your customers down!

AMERICAN EXPRESS TRAVELERS CHEQUES

MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!

Forms That Help Get Equipment Loans

JAMES R. PENCE

The author is vice-president of the Central National Bank in Greencastle, Indiana.

WE try to make it as easy as possible for farm equipment dealers to arrange loans for their farmer-customers immediately after the latter decide to purchase.

Some years ago, after we had had considerable favorable experience with loans made through farm equipment dealers and protected by conditional sales contracts on farm equipment, we discovered that we could save our officers a great deal of time by providing the dealer with a package of forms and showing him how to fill them out. This plan has been in operation for several years and scores of dealers finance their retail sales through our bank, the major volume being handled by mail.

We like this business because it is profitable and safe and, now that we get the dealer to fill out the forms, it actually requires less bank time to handle this type of business than many others.

The forms needed for a transaction of this type are, in addition to the note, the conditional sales contract (with copies for the bank, the dealer, and the buyer); the financial statement form on which the dealer enters all the information we need about the farmer-customer; and a card on which are printed time-plan tables which make it easy for the dealer to determine how much each payment is to be when he knows the total amount to be borrowed and the total length of time the borrower takes to complete the payments.

All these forms are given to the dealer in a large cardboard double pocket. On the inside of this folder are two pockets for the forms and, printed on the bottom of each pocket, is information designed to sell the dealer on using this method and also to give him complete instructions as to how to close a deal.

A Portfolio Full of Profits

This is the selling story we make to the dealers:

What's in the Package

(1) Complete instructions for the dealer.

(2) Forms for financial statements to be taken from farmers who wish to buy equipment on payments.

(3) Conditional sales contracts with copies for the bank, the dealer, and the buyer.

(4) Notes to accompany the conditional sales contracts.

(5) Time-plan tables to make it easy to determine how much each payment on an instalment loan should be in order to mature at a certain time.

"The Central National Bank plan for financing your sales to your customers is simple and easy to use. The primary thought underlying the development of this sales-building program has been to eliminate as much detail as possible for the dealer. The elimination of much of the detail previously associated with the preparation of time sale files saves a considerable amount of time. This saving of time translated into productive sales effort means increased profits.

"The procedure for handling your paper is designed to give you and your customer quick, efficient and courteous service. By following the suggestions outlined below and on the preceding page, regardless of

Benefits to the Bank

(1) In most cases, the bank is saved much time because the dealer fills out the forms.

(2) By the use of the package, the dealer gets all the information the bank needs and therefore all transactions are handled quickly.

(3) Dealers throughout Indiana have used the bank's service and thereby increased its total loans.

which of the two plans you choose, maximum benefits may be obtained.

"Central National is geared to quick action, but much of the responsibility for prompt handling of your paper will rest with you. The very fact that your work has been reduced to a minimum makes it doubly important that the information you send us is *accurate* and *complete*. This is particularly true with regard to filling out the purchaser's property statement.

"Take ample time to get all the facts. We are depending on you to be our eyes and ears in the 'on the spot' evaluation of the purchaser's ability to meet his commitments. Spending a few extra minutes getting all the facts the first time will avoid time-consuming delays and will enable you to give your customer the prompt services on which repeat business depends.

Information from Dealer

"Central National Bank will make its own credit investigation. However, in many cases, a local credit bureau report (if readily available) or a letter from the dealer commenting on previous experience with or knowledge of the purchaser will facilitate prompt consideration of the credit. In addition, credit bureau reports on prospective customers save soliciting expense on poor credit risks and are valuable to the dealer for his own information in extending credit on open accounts.

Intangible Tax Stamps

"Regulations do not permit us to assume the charge for intangible tax stamps. Past experience indicates that the easiest way to handle this is to let us deduct the charge for intangible tax stamps from our remittance to you after the note is received. For your information the charge for intangible tax stamps is 5 cents for each \$20 (or fraction thereof) of the note."

Our instructions on the work the dealer is to do are divided into two plans. One provides for the dealer

(CONTINUED ON PAGE 130)

CHICKEN LOANS PROFITABLE FOR SANGER BRANCH, BANK OF AMERICA

N. G. Logoluso, Manager of the Bank of America, Sanger, California, Decides Fryer Loans are a Sound Investment after Purina Dealer Presents Records



Purina Dealer, Morris Fruit, left, and Banker N. G. Logoluso, right, discuss a broiler-production loan with W. M. Phillips.

Purina Dealers H. M. Fruit and F. W. Shepherd of the Sanger Feed and Seed Company, Sanger, California, used actual records on every customer they had to convince Banker Logoluso that fryer loans are sound... *with the chickens as security*. They pointed out that each grower was visited regularly by the store owners or serviceman to check on those feeding, management and sanitation practices that make the growing of fryers profitable.

Banker Logoluso made his first chicken loan on these facts. Operating together—the Bank of America at Sanger and the Sanger Feed Store have now added an industry grossing \$140,000 annually to their community. And it's a profitable and growing business for all three parties—the fryer producer—the Purina Dealer—and the Sanger Branch of Bank of America which handles about \$105,000 in chicken loans a year.

HOW NOTES ARE ARRANGED BY THE BANK OF AMERICA, SANGER, CALIF.

When a grower wants to start his first batch of fryers on the Purina Program he goes to the bank. Grower and banker then discuss his finances and the feeding-management program he will follow. The grower makes a definite commitment to follow the Purina Dealer's instructions. He also agrees to have the checks for his fryers, when they are marketed 10-12 weeks later, made over to the bank.

Then the grower signs three notes—giving his birds as security:

1. **90-day note**—given immediately to cover cost of chicks and feed for the first 30 days.
2. **60-day note**—issued one month after the first. To cover feed cost for the second and third months.
3. **30-day note**—issued 60 days after the first. Covers feed cost for the fourth month.

IF YOU'D LIKE TO LEARN MORE about working with the local Purina Dealer in your community on broiler, turkey or livestock production loans, write to Ralston Purina Company for information. And be sure to get acquainted with your Purina Dealer. He's a good man to know.

RALSTON PURINA COMPANY
Dept. C, St. Louis 2, Mo.





WIDE WORLD

World Business

Sketch of the soon-to-be-christened American liner "Independence"

Imports and Europe's Recovery

HERBERT BRATTER

WASHINGTON

THE world's business whirls in a politico-military maelstrom. In the Baltic, Moscow's "mare nostrum," neutral fishing boats are disappearing and riddled bits of U. S. Navy plane equipment are being found. Herbert Hoover proposes a revised UN, without Commies, and President Truman can't wait to congratulate him by phone—only not, it seems, on just that idea. Hoover's description of ERP as "subsidies to beguile peoples to rectitude from internal communism" the Senate underlined by lopping off a twelfth of the ECA authorization and barely permitting Point IV to get started. Optimistic Paul Hoffman foresees the end of the red bloc, while Naples Reds watch helplessly the unloading of U. S. gift guns. The Swiss Government advises housewives and industrialists to stockpile, while yet there's time. In Washington Chile's smiling president lunches with Secretary Snyder and sambas through the night. And the State Department lends its release-mimeograph-

ing facilities to Pakistan's cagey premier whose tongue-twisting title, Liaquat Ali, White House newsmen mispronounce "alley cat."

DOUBTS ABOUT ERP

Only the tension between Washington and Moscow has made possible ECA's renewal without really drastic amputation. As it is, a sizable cut has met with Senate approval. So great is the increasing skepticism about ECA's economic effectiveness abroad that it begins to look as though the post-ERP program will need an entirely new dress. Americans who have taken too literally the glib speeches of U. S. officials are beginning to suspect the truth about Europe's ability to merge economically, if not politically. With reference to Paul Hoffman's dream of one, big integrated European market, the president of the Netherlands Bank declares: "It is difficult to see what acute problem can be solved by forming one large European market." Integration, he adds, would be preceded by a period of great confusion and great invest-

ment needs on one side and heavy capital losses on the other. So there.

DO WE WANT IMPORTS?

Harvey's, Washington's old-time restaurant, announces that it is serving imported Irish bacon. Possibly Mr. Hoffman will step around the corner and order some. For he is keen on imports. Up in Boston, Emil Rieve, CIO's textile leader, is rather bitter about this. It would be better, he says, for the U. S. to give away "surplus goods" abroad than to import European goods at the cost of unemployment at home. Lately the appendix of the *Congressional Record* has been increasingly loaded with complaints about "the menace of imports" and the like. But Mr. Hoffman is no fraidy cat. The ECA boss went right up to the CIO convention in New England, where there is textile unemployment, and said it was clear "that we can't meet the problem of unemployment in the textile industry . . . by cutting off this modest—this infinitesimal — volume of imports

(CONTINUED ON PAGE 113)

The Investment Market

Governments—Other Securities

Government Bonds

MURRAY OLYPHANT

MR. OLYPHANT, a Government bond and money market expert, is on the faculty of The Graduate School of Banking.

IN the order of maturity or option dates and omitting the \$12½-\$13-billion of discount bills now outstanding, the Treasury Department is faced with the necessity of refunding a total of over \$50-billion in the remainder of 1950 and during 1951. The schedule of maturities is as follows (in millions):

1950

June 1 —	\$ 5,017	1½% certificates
July 1 —	5,600	1½% certificates
Sept. 15 —	1,197	1½% certificates
	4,939	2% bonds
	1,186	2½% bonds
Oct. 1 —	6,247	1½% certificates
	1,918	1½% notes
Dec. 15 —	2,635	1½% bonds

\$28,739

1951

Jan. 1 —	\$ 5,372	1½% certificates
June 15 —	1,627	2½% bonds
July 1 —	3,628	1½% notes
Sept. 15 —	7,986	2% bonds
	755	3% bonds
Oct. 1 —	1,918	1½% notes
Dec. 15 —	1,118	2½% bonds
	510	2% bonds

\$32,914 *

* Plus whatever part of the notes and certificates maturing in 1950 (\$19,979) are refunded with new issues maturing prior to January 1, 1952.

In these figures alone is found considerable justification for the current expectation that perhaps a fairly substantial part of the 1950 maturities of *certificates* and *notes* will be refunded with issues having a maturity at least beyond 1951 and—as bond maturities in 1952 are over \$17-billion—with considerable likelihood that the due date of some of the new issues might be extended to 1953, 1954, or 1955. So far as the *bond* issues are concerned, the absence of any option date or maturity whatever in 1957 certainly offers a logical spot in that year for an issue or issues to replace the 2½ percent, 2 percent, and 1½ per-

cent bonds to be paid this year in September and December.

This prospect—and it really seems to be a prospect—offers a ray of hope to commercial banks, which, from the end of war financing until December of last year, had either suffered a loss of income as their higher coupon bond issues were successively replaced by the lesser yielding short term new issues, or were forced to attempt to duplicate previous income by an extension of maturity in what has become almost

last three in the above list produce an after-tax yield of over 1 percent and two of these, because of the partial exemption from Federal corporate income taxation and the higher coupon, sell at high premiums. With this situation it is not at all surprising that the average maturity of Government bonds held in commercial bank portfolios should have steadily continued to decline until at present about 8½ percent will mature or be called within the next few years and only about 11½ percent have been acquired or retained in the 5-10 year maturity range. For any substantial number of banks to have attempted to increase their holdings in the intermediate range would have quite clearly resulted in so great a distortion in market prices as very quickly to bring such actions to an end.

Now, however, somewhere on the horizon, is a vision, which may not be a mirage, of a new supply of issues in the presently restricted intermediate maturity range. Should all the bond issues callable and maturing before January 1, 1952, be refunded with new bond issues with

(CONTINUED ON PAGE 64)

	Callable	Outstanding (000,000 omitted)	Owned by Commercial Banks	4/27/50 After 38% Tax Yield
*2½%	March 15, 1955.....	\$2,611	\$1,676	.95%
2½%	March 15, 1956.....	1,449	821	.99%
*2½%	September 15, 1956.....	982	785	1.01%
2½%	September 15, 1956.....	3,823	2,718	.99%
*2½%	June 15, 1958.....	919	782	1.08%
*2½%	December 15, 1960.....	1,485	1,209	1.18%
2½%	September 15, 1967.....	2,716	2,074	1.33%
		\$13,185	\$10,065	

Percent of Total owned by commercial banks
—76%.

*—Partially Tax Free.

You can cut
a low-cost

a low-cost R

A black and white photograph of a woman in a white lab coat and a stethoscope around her neck, sitting at a desk and working on a small electronic device. The device has a label that reads "TELE-CARDIOGRAPH". To her right is a stack of papers and a telephone. The background is plain and light-colored. Handwritten text "You can cut a low-cost" is written in the upper right corner of the image.

"Recordak" is a trade-mark



cut microfilming costs with the Recordak Automatic Feeder

Your operator feeds checks or statements *a batch at a time* when you use a Recordak Automatic Feeder with your microfilmer.

All she does is place documents in the receiving tray . . . and they're whisked into your Recordak Microfilmer at speeds many times faster than is possible with manual feeding.

That's the operation—amazingly simple...amazingly accurate—heartily endorsed by banks of every size. *Just the thing* to level off your peak loads . . . to speed your routines . . . to eliminate, perhaps, the need for additional microfilming equipment . . . or even reduce your present requirements.

The cost—that's a surprise, too: only \$3.00 per month rental for the standard feeders; only \$10.00 per month for the precision feeder featuring a micrometer adjustment. And these charges include servicing . . . periodic inspections . . . parts-replacement. *Nothing to worry about!*

Choose your Recordak Automatic Feeder from the three models shown below . . . and write today for an early demonstration of its advantages in your bank. (Recordak Automatic Feeders are designed for all Recordak Microfilmers except the Junior model.) Recordak Corporation (Subsidiary of Eastman Kodak Company), 350 Madison Avenue, New York 17, N. Y.

RECORDAK

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originator of modern microfilming—and its application to banking systems



\$3⁰⁰
per month rental

The Recordak Standard Feeder for
Commercial and Triplex
Microfilmers



\$10⁰⁰
per month rental

The Recordak Precision Feeder
for all microfilmers except
the Junior Model

Investment Market

(CONTINUED FROM PAGE 61)

call dates in from 5 to 10 years, the supply in that area would be increased over \$20-billion.

For the most part, maturing certificates would seem likely to be replaced with new certificates. At present there are \$23,433,000,000 certificates outstanding, an amount which does not seem excessive in view of the secondary reserve requirements of the commercial banks. It is assumed that the Treasury Department would like to have the various issues consolidated so as to mature quarterly on the first of January, April, July, and October—dates which follow the heavy income tax receipts in December, March, June, and September, and, therefore, coincide with high balances in the general fund of the Treasury. All but \$6,214,000,000 of the present amount do mature on those dates, and there is an excellent chance that most of these will be shifted within the next two months as \$5,017,000,000 certificates mature on June 1 and \$5,600,000,000 on July 1. One or the other of these seems slated to be exchanged for a new 1 1/4 percent certificate, with the one not so exchanged to be refunded with a longer maturity—say a 1 1/8 percent note maturing in the second half of 1953, for example. As to which issue will get which maturity extension, only the Secretary of the Treasury will decide. It might be either.

Perhaps Mr. Snyder's statement on April 25 that the Treasury would need "no more new money beyond present operations during the fiscal year" somewhat increased the possibility that it will be the July certificate which will receive the more favorable treatment, on the theory that if no new money is borrowed prior to June 30 (other than an increase in the amount of Treasury discount bills) such new money will be needed very shortly thereafter, and some of it might be procured coincident with the refunding of the July maturity.

Come September, however, with over \$6-billion of 2 percent and 2 1/2 percent bonds slated for call, the chance for the appearance of new bonds with 1 1/8 percent or even 1 1/4 percent coupons seems reasonable. The writer believes that it will be the smaller coupon.

The general characteristics of the market for Government securities during April were similar to those of the previous months. Continued sales of the longer bonds by the open market committee of the Federal Reserve System equaled any market demand for such issues, and, with the known availability of the supply, buyers naturally dropped their bids somewhat. The supply, however, consists almost entirely of the "ineligible" bonds, so that it was these issues which showed the greater price shrinkage. The price declines for the high coupon, high premium partially tax-free eligible bonds were largely the result of the normal premium run-off for the month. The star performer and the only issue to show actual price improvement was the "bank" 2 1/2 September 15/67/72. Price and yield changes for a few of the key issues were as follows:

Eligible Issues	Offered Price March 31	Offered Price April 28	After Tax Yield	
			March 31	April 28
2 1/4% 9/15/59/56.....	104.10	103	.95%	.99%
2 1/2% 9/15/72/67.....	105.3	105	1.33%	1.33%
<i>Ineligible Issues</i>				
2 1/4% 12/15/62/59.....	102	101.26	1.25%	1.26%
2 1/2% 12/15/72/67.....	102.6	101.26	1.46%	1.01%
<i>Partially Tax-Free Issues</i>				
2 3/4% 9/15/59/56.....	110.3	109.22	.95%	1.01%
2 3/4% 12/15/65/60.....	113.30	113.20	1.16%	1.18%

For the most part the floating money supply in the larger centers remained tight. After the middle of the month an extra \$100-million of Treasury Bills was offered in four successive weeks with the result that the issue sold on April 24 registered a new high yield of 1.16 percent, with the natural effect of slightly increasing the yield and lowering the price of the Treasury certificates from about 1.15 percent to a 1.19 percent basis. As a consequence the market for maturities in the one-five year range had a tendency to adjust itself to the higher shortest term rate.

The Federal Reserve Portfolio

We pointed out last month that changes in the size of the Federal Reserve portfolio of Government securities merely registered factors leading to an increase or decrease in the credit supply base, while changes in the maturity composition were a clear indication of a desire to offset the action of all other holders of Government securities. During April the total increased \$125-million, while the changes in the maturity categories were as follows:

Maturing in 1 year or less	-\$ 55-million
Maturing in 1-2 years	+\$ 100-million
Maturing in 2-5 years	+\$ 229-million
Maturing in 5 years or more	-\$ 212-million

The effect of the sale of the longer bonds on the market has been noted. The increase in the one-two year and two-five year categories suggests some possible acquisition of the 1 1/8 percent notes 3/15/54 and 1 1/2 percent notes 3/15/55, both of which were under market pressure during the month as the Treasury bill rate rose from week to week.

The smallest sales, \$16-million, were in the final week during which Secretary Snyder made the surprise announcement that the Treasury would need "no more new money beyond present operations during this fiscal year," thus canceling the possibility of an offering of F and G Savings Bonds. It may be that some prospective purchasers for such an offering thereupon entered the mar-

ket for what was available, as prices firmed up for a day or so.

Gross Debt Declines

After rising steadily from March 31 to December 31, 1949, the U. S. debt started to decrease, and declined about \$1,400,000,000 in the first quarter of 1950. A surplus of over \$2-billion as a result of first quarter tax payments permitted the cash payment of about \$640-million of maturing issues not exchanged for new offerings and served nearly to offset the cash drain because of the net retirement of special issues of nearly \$1,800,000,000. This last was caused by the excess of unemployment benefits over receipts in the unemployment trust fund and the rebate of premium to holders of National Service Life Insurance policies.

Continued sales of Treasury tax and savings notes, and an increase in the total of all forms of Savings Bonds, together with net receipts from other trust funds, served partially to offset debt retirements and resulted in an increase of \$1,400,000,000 in the general fund of the Treasury by March 31.

Life Insurance Investments

H. EUGENE DICKHUTH

IFE insurance companies in the United States, with some \$60-billion in assets backing about 200-million policies totaling considerably more than \$200-billion of insurance in force, are facing difficult decisions. Like other big business, the industry has been attacked, partly because of its size alone and partly because its size and the steady flow of premium dollars have forced life insurance investment officers to seek new outlets for their funds. In this process, they have taken away business from other channels of the investment markets.

They have bought many securities issues privately. They have purchased industrial properties and leased them back. They have made foreign loans, and recently they have started rail equipment financing. Conscious of their position, they have been very careful in transgressing as little as possible into the field of others and, in many instances, perhaps many of the financial transactions consummated by life insurance companies in recent years could or would not have been made by others.

Another factor which forced life insurance to seek new investment outlets has been the drop in interest rates in the last 15 years, which brought the companies' net investment return very close to the former contractual interest rate of policies. In fact, tabulations show that last year, for the first time since 1945, the 365 life insurance companies in the United States earned more than 3 percent on their invested funds.

The composite figure for the industry was 3.04 percent, compared with 2.96 percent in 1948 and 2.88 percent—the lowest on record—in 1947. In 1946, the rate was 2.92 percent and, in 1945, 3.07 percent. The average earning rate for the Thirties was 4.10 percent and for the Twenties 5.07 percent.

The most recent increase in return was accomplished by portfolio changes, of course. At the end of

1949, corporate securities accounted for 39 percent of total assets, while in 1947, for example, the percentage was only 31 percent. Mortgages represented 22 percent on December 31, against 17 percent two years earlier. During the same period holdings of Government bonds declined appreciably.

Any further improvements in the rate of return may come from further portfolio changes and, perhaps, amendments of laws which would permit life insurance companies to broaden their investment channels. While there are some who advocate changes of statutes which would permit life companies in New York and some other states to enter the equity markets, others would like to see studies made which would reveal into what field long term funds, such as life insurance money, might be employed most profitably. Thomas B. McCabe, chairman of the Board of Governors of the Federal Reserve System, recently took the latter standpoint quite forcefully at a life insurance seminar at Boston.

A sound study of where most long-term investments are needed in the economy—"productive invest-

ments," as Mr. McCabe said—could point to some channels where life insurance funds might be used following changes in the rigid investment laws now prevalent in many states.

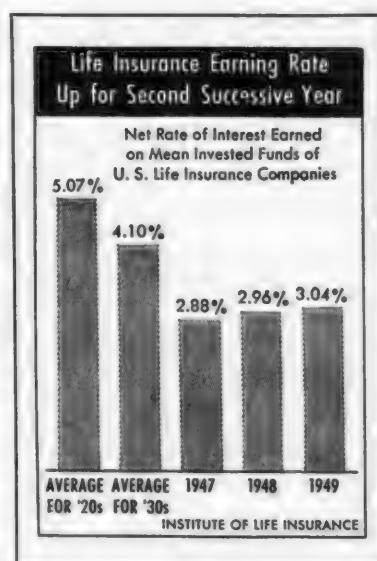
Such changes might reduce the competitive investment pressure for funds seeking outlets, particularly if the recent trend should continue. In the last several years, life insurance has accounted for as much as 25 percent of the total savings flow, and for many years it has constituted a rising proportion of the total savings of individuals. It has created a national investment problem of some magnitude, there is no doubt.

The suggestion that life companies should be permitted to buy common stocks up to a certain percentage of their funds is not new and it is not quite as revolutionary as it sounds, in view of the trend in many states away from the rigidly prescribed "legal list" for trust investments to the "prudent man" rule, which has been adopted successfully by an ever increasing number of states.

Academically speaking, the necessity to do something to stimulate the flow of new equity money seems desirable. Mr. McCabe has joined the list of those who have emphasized that there is a shortage of "equity capital at a reasonable cost." He has pointed to the disturbing long-term implications of a situation in which funds for increase of common shares is "too dependent on retained earnings," as it has been since the war, by necessity rather than by choice, because of poor stock markets, at that time, and existing securities laws.

Another suggestion to broaden investments for life companies, has come from Harold E. Stassen, president of the University of Pennsylvania and former Governor of Minnesota. He suggested that the industry look into possibilities of fi-

(CONTINUED ON PAGE 100)





Avoiding Windiness and Wordiness

W. P. deMILLE

This leads to this



How to Write Effective Letters IV

The author is assistant director of training, First National Bank of Boston. The first of this series of articles appeared in February BANKING.

LET'S take a deep breath and read this sentence aloud.

Due to the fact that the production of bank correspondence involves a considerable cost factor, it can readily be appreciated that reduction of the average length of letters would represent a definite step toward decreasing over-all bank operating expense, although the matter of length should at all times be considered in relation to adequate coverage of the subject-matter, and with due regard for the necessary requirements of the particular situation.

That is, admittedly, an exaggerated example. It illustrates a general fault in letter-writing that we can call windiness, or wordiness—or “taking too long to say it.” If you will note what you thought as you read it, you’ll realize what your reader would have to go through if you wrote letters that way.

Close inspection of that sentence will soon show that it exhibits four sins against conciseness—four symptoms of “taking too long to say it,” namely: (1) Long, rambling sentences; (2) waste words; (3) big words for small things; and (4) vague language.

Long, Rambling Sentences

There are 70 words in that sentence we are using as an example. It contains three ideas, as we can see more clearly if we reduce them to their essentials: (1) Since bank letters cost money, (2) shortening

them would lower costs, (3) but we must always think of length in terms of completeness and appropriateness. (23 words.)

Now as a rule, one or two ideas are enough for a sentence. When you add a third, you’ve got to be a pretty skillful writer to keep your sentence orderly and readable. Note that the third idea, qualifying the statement about shorter letters, would stand out better if we put a period after “expense,” (original version) and went on with a new sentence: “Length, however, should . . .” And the “however” will preserve the connection of ideas that we want here.

Most sentences should not, as a general rule, contain more than 20 to 25 words. You will find this point fully covered in *The Art of Readable Writing*, by Rudolf Flesch (Harper & Bros.), an excellent book that explains in detail how and why sentence-length affects the readability of what we write. For the present, though, you can be guided by the general rule that your sentences, on the average, should run to about 20 words.

Waste Words

Another characteristic of windy, wordy letter-writing is the use of several words where one would do. Sometimes this comes from using formal or hackneyed expressions, such as “Due to the fact that,” instead of “since,” at the beginning of our sentence. (In the example just above, note “there is always a possibility” and “with the result that.”) Sometimes it is due to careless use of roundabout or “warm-up” phrases that contribute nothing to a sentence but length. For example, “it can readily be appreciated”—if you take

(CONTINUED ON PAGE 68)

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that right out of the original sentence, what have you lost? And how about "represent a definite step toward"? Does this mean anything that wouldn't be conveyed just as well by "would decrease," or "would tend to decrease"?

Big Words for Small Things

This is the fault of exaggerated formality, misplaced emphasis, and preference for long words just because they're long, instead of because they're exact. And by "small" things we mean routine or ordinary or factual matters, which it is more important to treat clearly and rapidly than to treat elegantly or elaborately. Note how this shows up in the first few phrases of our illustrative sentence: "The production of bank correspondence involves a considerable cost factor." Very impressively worded, certainly; but after all, this sentence, like most of the letters we write, is not a scholar's treatise on some weighty point in moral theology. There is seldom any need for such a kettledrum-and-trombone vocabulary in the straightforward talk of one businessman to another.

Vague Language

One of the hardest arts in writing is to be specific; yet surely almost nothing else is so important. This is doubly true in the letters you write for your bank, since obviously every one has a specific purpose. But unless you are constantly on watch, vague terms and generalized phrases will creep into your letters, blurring your meaning and leaving your reader uncertain on some major or minor detail.

Many examples of this sort of language appear in our model sentence. "The production of bank correspondence," to start with, leaves us helpless to know whether the writer means dictation and typing, separately or together, or whether he includes mailing costs, stationery, machine depreciation, and so on. And look at "represent a definite step toward"—does this mean it would *be* a step, or not? Finally, what do you suppose the "necessary requirements of the particular situation" are? Does this mean the facts in the case, or questions of courtesy, or the reader's personality, or the state of the stock market, or what?

Causes

Now what are the underlying causes of the various kinds of wordiness we have been looking at? What are the reasons why we sometimes "take too long to say it"?

(1) *Hazy thinking.* Basically, of course, any kind of wordiness can be traced to this. If we fail to focus sharply on one point at a time, and see clearly how it relates to our other points, our letters are bound to get fuzzy, rambling, and vague.

(2) *Routine dictating habits.* Inattentive dictation can lead to trouble, too. Unless we're aware of the length of a sentence, we'll keep on tacking on parts till it stretches out to 40 to 50 words, which is too long.

(3) *"Tightness" about writing.* A third important reason may be the feeling of tension or unnaturalness that strikes us when we set out to put our thoughts into writing. Knowing that what we are saying is going to be set down indelibly, we "tighten up."

Remedies

The following hints may be useful as practical rules for avoiding wordiness by attacking its causes:

(1) Edit carbons of your own letters to cut out waste words and break up over-long sentences. Reviewing a few letters a week this way—not on the day you write them—will highlight your own writing habits for you and enable you to check your own progress in improving them.

(2) Dictate punctuation. Keep yourself alert to the growth of a rambling sentence by including punctuation-marks in your spoken words.

(3) Cover only one or two points in each sentence. Separate your thoughts clearly, and give them better emphasis, by not crowding four or five ideas into one sentence.

(4) Use semicolons. Many a long sentence, full of "and" and "but," can be made readable by changing one of its commas to a semicolon; and sometimes a pair of choppy short sentences can be joined by one. This useful punctuation mark shows a stronger pause than the comma and a weaker stop than the period.

(5) Omit relative pronouns. "The letter you sent" is natural; "the letter which you sent" is literary. Drop as many of the "whiches" as you reasonably can, and when you use a relative, use "that" rather than "which." This little habit will often save you from roundabout and unnatural expressions.

(6) Challenge any word of over three syllables. Make yourself conscious of combinations like "eventually obtaining authorization" or "requirements of the particular situation." Train your dictating ear to pick out extra-long words; and get in the habit of checking their accuracy. If they are better than any other word or phrase—more exact or more emphatic—go ahead and use them. But many of these words, especially if they end in "tion," can well be dropped in favor of something shorter or more specific.

(7) Beware of "and" and "but." It is fatally easy to string several thoughts together with these work-horse conjunctions. The trouble is, they have no power to make one idea more (or less) important than the ones it is joined to. Concise expression of ideas requires subordination: to show the relationship between one thought and another, use words like "since," "although," "moreover," or "so that."

(8) Call things by their names. Beware of words like *aforsaid*, *item*, *advise*, and all other words that avoid specific designation of a definite object or action. For "aforsaid," for instance, use "that" or "this"; for "item," use "check," "draft," or whatever identifies it; for "advise," use "tell," "report," "notify," or "inform." Instead of saying "full information," say what information you mean. And when you mean "would decrease," don't say "would represent a definite step toward decreasing."

(9) Don't "warm up" while dictating. An extra minute spent in planning exactly what you are going to say, sentence by sentence, will save time and words in the long run. You can weed out a lot of unnecessary language by "listening" to a proposed sentence before you dictate it, with the conscious intention of shortening it if possible. This trick will soon curb any habit you may have formed of including "waste words" in the letters you send out.

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Cost and Efficiency Advantages of Living Trusts

EARL S. MacNEILL

The three preceding articles in this series appeared last December, February, and April. The author is vice-president of the Irving Trust Company, New York.

DAVID DRAKE heard his lawyer refer to "*inter vivos trusts*," and David's whimsical bent converted the phrase into "*vive les trusts!*" Then the lawyer painstakingly explained that *inter vivos trusts* were trusts "between the living." That is, you established such a trust during your lifetime; it didn't have to wait until your will went into effect. "A kind of living will," suggested David; and the lawyer agreed.

The lawyer further explained: "A living trust is created either by a *trust agreement* or by a *deed of trust*. You deliver money, securities or other property to the trustee and the trustee is bound to deal with this property as you have directed in the agreement or deed; that document is the trustee's Bible."

There were further technicalities to be explained:

Revocable living trusts are those wherein the right has been reserved by the maker of the trust to modify its terms or call the whole thing off, any time he chooses.

Irrevocable living trusts are just the opposite. The maker of the trust is powerless to change it or to call it back. Irrevocable trusts may have tax-saving advantages—but that is another story. Our lawyer in this story was interested in explaining to his client the advantages of *revocable* trusts.

David Drake was about to retire. His assets included \$150,000 in securities and his controlling interest in Drake, Inc., worth about \$100,000. Recently, David had installed his older son as manager of the business, giving him a small block of stock and an option to buy more. Besides this son, a serious and able man in his late 30s, David's family consisted of his wife, Sarah, a married daughter, and a younger son. David was worried about the younger son and was aware, moreover, of a growing coolness between the younger son and the elder.

A revocable living trust was proposed along these lines:

Substantially all of David's assets would be transferred to the trust, and David would receive the income from that trust as long as he lived. He would have power to direct what securities should be bought and sold, and how common stocks should be voted. As to the general investments, the trustee might act in David's absence; but as to Drake, Inc., no action of any kind could be taken without David's express instruction.

After David's death, the trust would continue for the benefit of his wife but, technically, in two shares. One share, equal in amount to the maximum marital deduction available to David's estate, would be distributed, when the wife died, as her will might direct; lacking such a direction, it would be disposed of in the same manner as the other, residual share. This latter share, on the wife's death, would be subdivided into three shares for the children. The oldest son would receive his share outright; the youngest would receive his share if he were 35 or older; otherwise it would be kept in trust until he reached 35. As for the daughter, her share would be held in trust for her life; upon her death the principal would be disposed of as her will might direct.

"Now how does this arrangement save money?" asked David. "In short, why can't I just leave it to my will to provide in these ways for Sarah and the children?"

"There are at least three savings," answered the lawyer. "First, you have the usual plans for retirement. You will be traveling a little; and for your comfort you'll be a migrant with the sun—south in winter and north when the sun gets hot. Grant that these novelties may in time wear thin; still, you'll be out of your business routine. But the business of investment can never be neglected, save at risk of loss. The trustee will be the ever-watchful guardian of your investments. Nor will it merely be watchdog; it will be manager to the extent that you approve its recommendations.

"Second, there will be substantial savings of administrative costs on your death. The assets of the trust need to go through no court proceedings and no executor's hands. In proportion, executor's commissions would be reduced; and, indeed, they might be eliminated entirely if *all* of your estate were in the trust. While there would be the usual tax proceedings, the labors of the attorney would be lessened in other respects; hence, there would be a reduction of attorney's fees also.

"The *third* saving cannot be measured in percentages. I call it 'savings of dislocation costs.' You know what can happen to a business when a stranger suddenly comes in to take it over. But, by contrast, your trustee would simply *continue* what it has been doing.

"Indeed," the lawyer concluded, "the satisfaction to be gained from this pre-testing of your trustee may well outweigh the merely monetary considerations. At least one 'unknown' will have been eliminated when you—if I may inject a gloomy note—die."

Savings Deposits and Mortgage Loan Trends

SAVINGS deposits in savings and in commercial banks in the United States were \$55.1-billion, an increase of \$900-million, or approximately 1.6 percent over the previous year, said J. R. Dunkerley, deputy manager of the American Bankers Association and secretary of the Savings and Mortgage Division, in announcing the results of a recent study of savings trends. "These \$55-billion of savings deposits are more than double the \$26.4-billion of savings deposits in 1940," he said.

"During 1949," Mr. Dunkerley said, "the share capital in savings and loan associations increased from \$10.9-billion to \$12.4-billion, an increase of \$1.5-billion, or approximately 13.8 percent over the previous year. Since 1940 these funds have grown nearly three times.

"During the year, the savings in life insurance, as represented by net funds accumulated behind life insurance policies, grew from \$48.1-billion to \$51-billion, an increase of approximately \$3-billion, exceeding in dollars the combined growth for the year of savings deposits in banks and shares in savings and loan associations. Percentagewise, insurance companies gained 6 percent over their 1948 year-end figures. Since 1940 their net funds have more than doubled.

"It is estimated that 60-million people have savings accounts in banks. The average savings account is

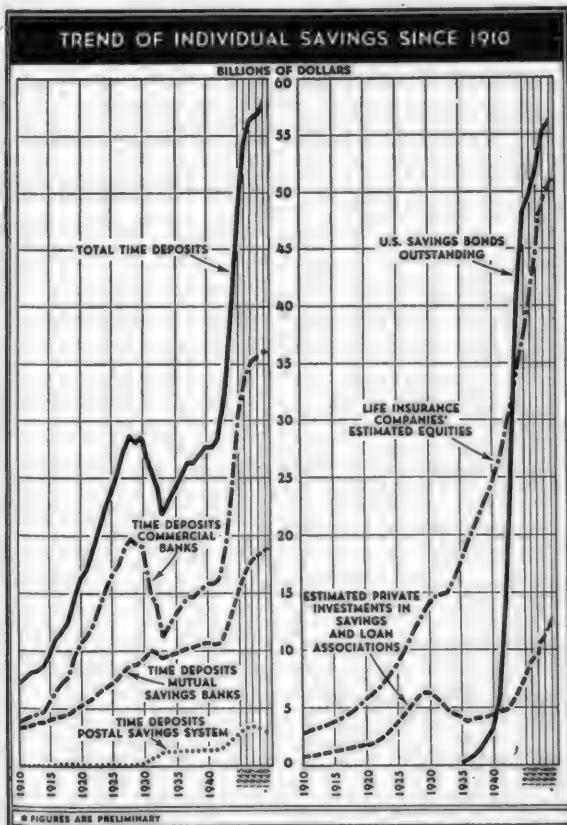
approximately \$900. There are approximately 10-million shareholders in savings and loan associations, but their average investment is about \$1,300. The present number of policyholders in legal reserve life insurance companies is estimated at 80-million, or more than half of the population."

MR. DUNKERLEY pointed out that banks have always maintained a leadership among thrift institutions and that they still hold the largest block of savings, aside from the billions of savings now invested in the Savings Bonds of the United States Government.

"Seventeen thousand of the 19,000 banking offices scattered throughout the country furnish savings facilities," he continued. "The general welfare of the country depends to a large extent upon the encouragement of thrift by the services provided by banks to take care of their savings.

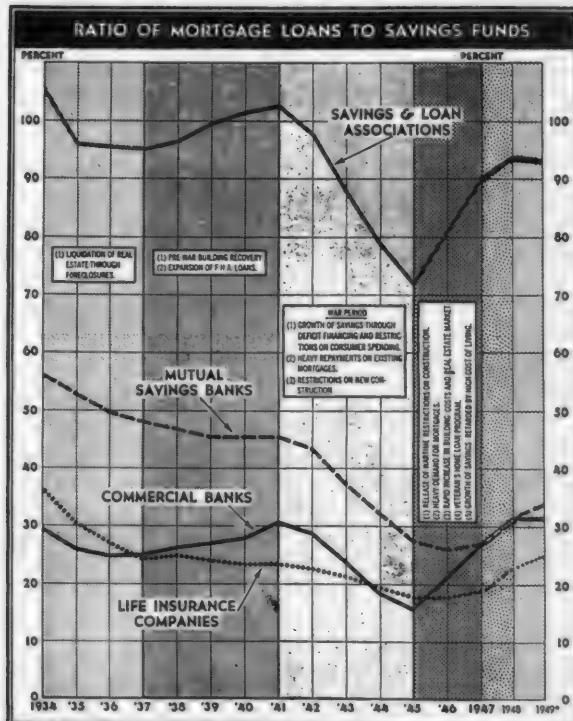
"If the banks of the country are to maintain their leadership in this field, it will be necessary to do a better merchandising job than we are doing. Many do not seem to realize that in a highly competitive period such as this one it is necessary to exert considerable effort and to spend sizable sums of money in advertising and promoting the business.

"The United States Savings and Loan League con-



June 1950

The study reveals that real estate loans are the largest investment producers of banks and insurance companies. Nearly all of the employable funds in savings and loan associations are invested in real estate loans



71



Consumer Credit Digest

Two Banks Get Mass Financing Job In Jasper, Indiana

This selection of news and opinion was compiled by THEODORE FISCHER of BANKING's editorial staff.

THE banks of Jasper, Indiana, are financing the installation of garbage disposal units for practically every householder in town who applies.

A. M. Sweeney, general sales manager of the General Electric Company told of this unique financing in his address to the National Instalment Credit Conference in Chicago.

Jasper is the county seat of Dubois County in the hills of southwestern Indiana. Its population is 6,800 and it has two banks: the Dubois County State Bank, and the German-American Bank.

By August 1, Jasper expects to become the first town in the country where all garbage disposal is "down the sink."

The city administration had trouble getting anybody to take the garbage collection job. The mayor's eye was taken by the ads for the electric sink-drain garbage grinders. Why not sell the citizens on the idea of tossing garbage into the sink grinders?

A survey showed some 60 percent of the householders were ready for such a step, so the city called for bids. General Electric got the job

with its offer to install units at \$75 each with a one-year guaranty.

The two banks in Jasper are providing the money so that folks who want to can buy their units on a time-payment basis.

When the city circularized the home owners, it pointed out that the regular retail price of a food waste grinder is \$125, plus \$15 to \$50 for installation. Under the city plan, the cost is \$75 including installation and a one-year guaranty.

It pointed out that it would save on taxes each year, and that "the whole year's operation costs are no more than the cost of a garbage can, which lasts only about a year."

The two banks got together and jointly circularized the townsfolk, saying: "We take this opportunity to join this program to make it still more attractive. Many will pay cash for their purchases, but those who wish to purchase on credit are invited to come to the bank of their choice to discuss credit plans available, that may be mutually agreeable."

"The cost of the units is very low and the bank credit cost is small."

One of the local bankers says: "Installation began April 1 and will be completed by the end of July, 1950. About 60 percent of the citizens have contracted for units. Ninety percent of the people in

Jasper own their own homes, and I believe that about 90 percent of them will have their units installed before July 31. Garbage collections will cease as of that date."

Distinct Improvement

In its monthly delinquency report for March 31, the Consumer Credit Department of the American Bankers Association shows an improvement in delinquency figures for all regions of the country. Figures for March show a distinct improvement over those for a month earlier.

Could this improvement be due to better economic conditions? Could it be because of more persistent collection effort on the part of the banks? Are loan applications being subjected to more careful screening?

It doesn't matter much which of these questions gets the affirmative answer. The improvement is there.

If this is a trend, it would seem to be double-barreled: sound procedure on the part of the banks; the exercise of care on the part of the consumer in not overextending himself.

The Consumer Credit department receives each month reports on the percentage of loans delinquent from some 250 banks. It then publishes its Monthly Regional Delinquency Experiences as of the last business

day of the month. Delinquent loans are reported as a percentage of the total number of loans outstanding at the end of the month by number of days delinquent. The country is broken up into nine regions for purposes of this report. This allows individual banks to check their own figures against the average for their districts.

The 250 banks report on 2,100,000 individual loans. The combined resources of these banks total some \$26-billion.

The monthly report breaks down the figures by delinquency periods: 30-59 days; 60-89 days; 90 days and over; and total delinquency. Since the percentage for each of the periods shows the same trends as the totals, only the total delinquencies—and for the country as a whole—are shown here.

	Mar. 31, 1950	Feb. 28, 1950	June 30, 1949
Personal Loans.....	2,118	2,480	2,507
Home Appliance Loans.....	2,764	3,334	2,870
FHA Title I Loans..	3,207	3,355	3,322
Prop. Imp. Loans— Own Plan.....	3,577	4,127	4,848
Automobile Loans— Direct.....	1,450	1,785	1,642
Indirect.....	2,144	2,604	1,903

It will be noted that the figures for March 31, 1950, are in every case an improvement over the previous month; and an improvement in every category but one over the middle of last year. That one instance is indirect auto loans, and the difference is slight.

True, these differences are not large in most categories. But they are improvements; and since delinquencies and collections have been a source of concern for some time, the improvement shown is most encouraging.

BLIBL

The Huntington National Bank of Columbus, Ohio, advertises BLIBL.



"One day at the bank it caught my eye"

In connection with announcement of its new instalment loan department, the bank had several little two-inch square teasers: "Buying a new car? BLIBL." Another read: "Need money quickly? BLIBL." A third one said: "Expanding your business? BLIBL." "Getting a television set? BLIBL."

The BLIBL was explained in a larger ad: a Bank Loan Is a Better Loan.

Profits Big; Losses Little

Bigger loans to more people and with fewer delinquencies. This sums up the results of a survey of its personal loans for the first quarter of this year by the Land Title Bank and Trust Company of Philadelphia.

The bank found that its average loan increased to \$283 from \$226 last year.

While it granted more personal loans in the first quarter of this year as compared with the comparable 1949 period, the bank pointed out that this did not necessarily mean that more people are borrowing. It might indicate that Land Title is obtaining a larger share of this type of business.

Of particular interest is the fact that Land Title reports a drop in delinquencies for the first quarter, although it granted more loans and for larger amounts.

The study showed that people with incomes ranging from \$2500 to \$4900 a year constituted 83.4 percent of the borrowers. The 25-49 year age group made up 88.3 percent of the total. Of the total borrowers, 70 percent were married, with 21 percent having one child, 17 percent two children, and 7 percent three or more.

Why are people borrowing? The bank found that approximately a third, 33 percent, do so to consolidate their debts to pay store bills and to pay off loan companies and other banks; 31 percent to meet "miscellaneous expenses"; and 23 percent to pay medical bills.

"... a Major Factor"

The appliance division of Westinghouse Electric made total sales of over \$40-million in the first three months of this year—substantially higher than had been forecast.

In announcing this, T. J. Newcomb, sales manager, said that an important element in this was "the ability to buy on sound instalment payment plans."

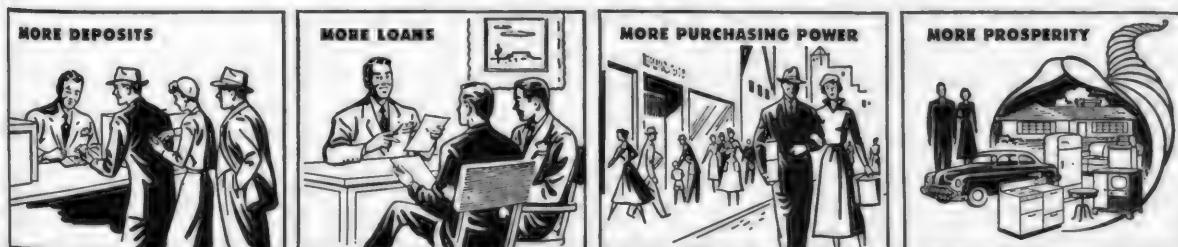
Mr. Newcomb said further: "Instalment buying has been a major factor in giving the American people their highest standard of living. It is part and parcel of our economy and restrictions on its use can only slow up business and employment."

More Autos on Time

The *Journal of Commerce*, New York, conducted a survey and found the most notable difference in the consumer credit pattern recently is the rise in automobile sales on time payments.

It noted, too, that a number of leading credit organizations report collections to be somewhat better.

Valley National Bank, Phoenix, Arizona, has been using the strip shown below in a series of ads. The bank advertises that: "Our instalment loans to creditworthy Arizona consumers average \$4,000,000 a month—\$48,000,000 a year for better living."



BANK LAW NEWS

Common Trust Funds—Trust Receipts and §60A

COMMON TRUST FUNDS

Newspaper notice of pending accounting does not meet requirements of due process of law.

Newspaper notice of a pending judicial settlement of the accounts of a trustee of a common trust fund, given in compliance with New York's common trust fund statute, has been held by the Supreme Court to be insufficient to satisfy the due process clause of the Constitution.

New York, along with 30 other states and the District of Columbia, permits corporate fiduciaries to pool small trust estates into common trust funds, the income, capital gains, losses and expenses of which the constituent trusts share proportionately.

The applicable New York law provides that upon establishment of a common trust fund the trustee shall notify by mail each person of full age and sound mind whose name and address is known and who is entitled to share in the income or who would be entitled to share in the principal if the trust were then distributable. At specified intervals after establishment of a fund, accountings must be made and these, when court-approved, are binding and conclusive as to any matter set forth therein upon anyone having an interest in the common fund or in any participating trust.

However, the only notice of a pending settlement of accounts which the law requires is a newspaper advertisement addressed generally to all interested parties without naming them, and setting forth merely the name and address of the trustee, the name and date of establishment of the common trust fund and a list of all participating trusts.

It was this form of notice which the court found violated the due process clause. "Many controversies have raged about the cryptic and abstract words of the Due Process

Clause," said the court, "but there can be no doubt that at a minimum they require that deprivation of life, liberty or property by adjudication be preceded by notice and opportunity for hearing appropriate to the nature of the case."

"A common trust fund accounting may deprive beneficiaries of property in two ways," said the court. It may cut off their rights to have the trustee answer for negligent or illegal impairments of their interests; it may diminish their interests by the allowance of fees and expenses "to one who, in their names but without their knowledge, may conduct a fruitless or uncompensatory contest."

"An elementary and fundamental requirement of due process," said the court, ". . . is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." The means employed to give notice, the court held, "must be such as one desirous of actually informing the absentee might reasonably adopt to accomplish it."

Newspaper notice is insufficient,

said the court, not because it fails to reach everyone but because, under the circumstances, it is not reasonably calculated to reach those who could easily be informed by other means. By "other means" the court meant the mails. Since a trustee has the names and addresses of known beneficiaries and is able to use them to give notice by mail of the establishment of a common trust, the court ruled, there is no reason to use means less likely than the mails to give notice of a pending accounting.

The requirement for notice by mail applies only in the case of known present beneficiaries of known place of residence, however. In the case of beneficiaries whose addresses or whose interests in the fund are unknown to the trustee, the court felt that newspaper notice is sufficient. And the court did not state that newspaper notice in such cases need name any beneficiaries, even though it had criticized the fact that the notice required by New York law need not name "those whose attention it is supposed to attract."

As to the notice required in the case of nonresident beneficiaries, the court did not further commit itself beyond stating that personal service of written notice "has not in all circumstances been regarded as indispensable to the process due to residents, and it has more often been held unnecessary as to non-residents." *Mullane v. Central Hanover Bank*, 70 S.Ct. 652.

TRUST RECEIPTS AND §60A

Transaction complying with Uniform Trust Receipts Act prior to bankruptcy of debtor may still be a preference.

Bankruptcy Act, §60A, recently amended, provides that transfer of personal property is deemed made "when it became so far perfected that no subsequent lien upon

(CONTINUED ON PAGE 76)



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H-H-M UNDER-COUNTER WORK



Fidelity Trust Co
Pittsburgh, Pa.

L IMPROVES OVER-COUNTER SERVICE

Goodwill thrives or withers at the counters where your employees serve the public. You can be sure your employees have the tools for giving the kind of service that makes goodwill thrive, when you use H-H-M Under-Counter Work. Our craftsmen have translated all functional requirements for paying and receiving into standard units that can be selected to suit your counter-plan, volume, activity and procedures. You can arrange the standard units to place each teller's cash, records and machines at his finger tips for prompt, competent, public service. When unusual building conditions are encountered our engineers are prepared to work out special solutions with you. You'll be surprised at the economy with which carefully planned H-H-M Under-Counter Equipment can be put to work improving your over-counter service.

Ask for our specifications on standard Bank Under-Counter Equipment. You'll also find helpful our up-to-date ideas on Drive-In and Walk-Up Windows . . . 24-Hour and Night Depositories. Our "Guide For Planning Bank Vaults" is full of practical suggestions and is available upon request. Write today.



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Builders of the world's finest . . . Rotary Record Files • Insulated Record Files • Steel Transfer Files • Safes • Money Chests • Vault Doors • Bank Vault Equipment
Drive-In Windows • Night Depositories • Stainless Steel Hospital and Building Equipment

(CONTINUED FROM PAGE 74)

such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee."

The amendment also provides that where an applicable state law requires a transfer of personal property for and on account of a new and present consideration to be perfected by recording, delivery, or otherwise, in order that no lien may become superior to the rights of the transferee, the time of the transfer shall be determined as follows:

If the state law requires recording, delivery, or some other act within 21 days after a transfer and is complied with, or "if no such requirement of applicable law" exists, the transfer shall be deemed made at the time of transfer; but if the state law allows more than 21 days or specifies no particular time for perfection of a transfer, it shall be deemed made at the time of transfer only if the state law is complied with within 21 days;

If compliance with the state law occurs more than 21 days after a transfer, the transfer shall be deemed made at the time of compliance; and if such compliance occurs after filing of a petition initiating a proceeding under the Bankruptcy Act, the transfer shall be deemed made immediately before the filing of the petition.

These provisions will have a bearing upon state laws dealing with liens acquired in transactions involving trust receipts, factors liens, oil leases, cattle loans, chattel mortgages, airplane-equipment financing, conditional sales, assignments of accounts receivable and similar transactions wherein a sale by the debtor is contemplated.

For example, an entruster's security interest may be filed at any time within 30 days after delivery of goods, documents, or instruments to a trustee and receive the full protection of the Uniform Trust Receipts Act, but must be filed within 21 days of delivery in order to receive the full protection of §60A. Act of March 18, 1950, §1. P.L. No. 461, 81st Congress, 2nd Session. Paton's Digest, Trust Receipts §§1: 6, 2.

The dictionary is wrong when it says the dumb don't talk.

Advantages



WILLIAM A. McDONNELL, PRESIDENT
First National Bank in St. Louis

"Bankers have come to realize more fully that definite public relations advantages are to be gained by a more intimate contact with the people.

"Banking is a public service. With the confidence and support of the public it has a powerful influence in the whole community. Building good will and thrift is a primary objective, attracting confidence in and support for our American system of banking.

"Christmas Club members through their regular contacts with the bank become potential customers for other services the bank offers."

WILLIAM A. McDONNELL



• There are many advantages for the public, the banker, the community attributable to Christmas Club. The public becomes thrift-conscious, self-reliant; plans for financial security.

• The banker automatically develops a large, logical source of new depositors, new customers—conversant, through regular visits, with the many services he offers, and with complete confidence in his bank.

• The community has its credit, its financial rating and its outlook geared for success.

• That's why Banks that have Christmas Club are Banks that grow!

CHRISTMAS CLUB

A CORPORATION

FOUNDED BY HERBERT F. RAWL

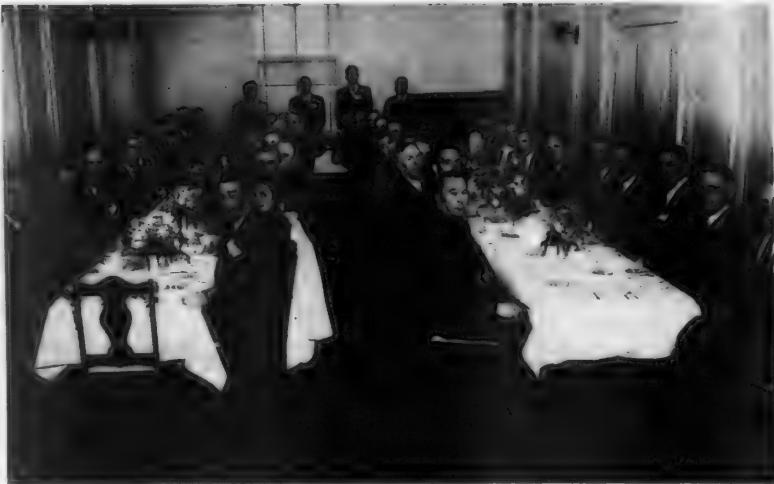
341 Madison Avenue, New York 17

BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR BANKS

Other Organizations

IN this convention season, here's a public relations thought which appeared in Belle Hamilton's column, "The First National Tell-Tale Teller," in the Leesburg (Florida) *Commercial*. (Miss Hamilton writes BANKING'S "Around Our Bank" each month.) This is what she wrote:

You know 700 or 800 bankers, viewed individually in those impressive swivel chairs at their desks, and looking at you over their glasses, are entirely different from the same men in convention. . . . You'd be surprised, too, to know how much they cogitate about you and you and *you* while taking part in one of these meetings. . . . Quite a little of the precious time that they might spend living the life of Reilly in one of those swank South Florida hotels is devoted to delving into methods of pleasing and serving better their customers. . . . Because—make no mistake—any good banker is interested in pleasing the folks of his town—and not just because they want to get business from them, either! . . . This year all bankers are just a little bit complacent because at last they have learned they are fully as important to the Government as the Rhode Island Red or Plymouth Rock! They've had a commemorative stamp issued in their



Students and faculty ate together during the three days of the School of Financial Public Relations of the Missouri Bankers Association

honor, too! . . . And you know very well they haven't high-hatted you once because of this distinctive recognition—now have they?

* * *

And from the opposite corner of the United States comes another convention-inspired short essay, this one by Harvey Brown, secretary of the Alaska Bankers Association,

who says in the *Alaska B. A. News-letter*:

As you sit here in (more or less) solemn conclave, look around you. If you have not already been introduced to the sour looking individual sitting beside you, don't let that stop you. Go ahead and get acquainted anyhow. His ulcers are probably

(CONTINUED ON PAGE 80)

SOME NEW STATE ASSOCIATION PRESIDENTS



Left to right: NORTH CAROLINA—Garland Johnson, executive vice-president, The Bank of Elkin; KENTUCKY—Marvin L. Underwood, president, First-Hardin National Bank, Elizabethtown (elected 1949); MISSISSIPPI—W. B. Herring, president, Pascagoula-Moss Point Bank, Pascagoula; WASHINGTON—Thomas F. Gleed, president, Seattle-First National Bank



Left to right: LOUISIANA—Robert H. Bolton, executive vice-president, Rapides Bank & Trust Company, Alexandria; *NEW MEXICO*—Guy H. Walden, president, Citizens Bank, Tucumcari; *MISSOURI*, Robert E. Allen, president, Perry State Bank, Perry; *SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK*—Perrin L. Babcock, president, Onondaga County Savings Bank, Syracuse



Left to right: DELAWARE—Robert U. Atemus, vice-president, Delaware Trust Company, Wilmington; *SOUTH CAROLINA*—O. S. Burns, executive vice-president, First National Bank, Orangeburg; *ALASKA*—Elmer E. Rasmussen, president, Bank of Alaska, Anchorage; *NEW JERSEY*—Clarence G. Meeks, president, Hudson Trust Company, Union City



Left to right: ALABAMA—D. C. Wadsworth, president, American National Bank, Gadsden; *CONNECTICUT SAVINGS BANKS*—Harmon S. Boyd, treasurer, Woodbury Savings Bank, Woodbury (elected 1949); *KANSAS*—W. D. Kinnaman, president, Sedan State Bank, Sedan; *TEXAS*—C. E. McCutchen, president, First National Bank, Wichita Falls

Left to right: FLORIDA—J. Carlisle Rogers, vice-president, First National Bank, Leesburg; *GEORGIA*—Frank W. Thomas, president, Washington Loan & Banking Company, Washington; *IOWA*—J. F. Kennedy, president, First National Bank, New Hampton (elected 1949); *NORTH DAKOTA*—G. A. Klefstad, president, Sargent County Bank, Forman



(CONTINUED FROM PAGE 78)
bothering him, too. If you don't quite know what to say to open the conversation you might try something like, "Say, what do you think about this 608 . . . do you think it will affect property values in your area?" Chances are that he will respond with some friendly comment or other and a whispered conversation can undoubtedly be maintained throughout the program.

* * *

The inauguration of an annual investment seminar to be conducted by the New York State Bankers As-

sociation in cooperation with New York University has been announced by Harry W. Davies, president of the association and of the Syracuse Trust Company. The first one will be held at the Commodore Hotel, New York City, September 15. Attendance at three consecutive seminars will entitle the graduate to a certificate issued by New York University.

The faculty will consist of Dr. Marcus Nadler and Dr. Jules I. Bogen, both professors of finance, N. Y. U. Graduate School Business Administration; L. S. Pryne, vice-

president, The First National Bank of Boston; M. A. Schapiro, M. A. Schapiro & Company, New York; and Brian Reuter, vice-president, Mellon National Bank and Trust Company, Pittsburgh.

* * *

The 1950 edition of Trends in Commercial Bank Advertising Expenditures, published annually by the Financial Public Relations Association, is now available. The current edition is a study of bank advertising expenditures for 1949 and budget figures for 1950 as compared with expenditures in the years 1946, 1947, and 1948. It was compiled by Gene Bridges, public relations and advertising, Republic National Bank, Dallas, Texas, from the confidential reports of 258 commercial banks and is a project submitted in partial fulfillment of the requirements of the FPRA's School of Financial Public Relations. An extensive introduction on service advertising, media and budgeting precedes the 13 pages of statistical tables.

* * *

Officers and trustees of the mutual savings banks of the nation, attending the 30th annual conference of the National Association of Mutual Savings Banks in the Hotel Commodore, New York City, elected A. Livingston Kelley, president of the Providence Institution for Savings, Providence, Rhode Island, to be president of the association for the ensuing year.

A. Livingston Kelley, president, National Association of Mutual Savings Banks, and president, Providence Institution for Savings, Providence, R. I.

With banks and bankers it is Rand McNally

for ready reference and daily service



BANKERS DIRECTORY

... the Rand McNally "Blue Book" . . . published continuously since 1872.



KEY TO THE NUMERICAL SYSTEM

of the
American Bankers Association with Check
Routing Symbols . . . published since 1911.



CHRISTMAS SAVINGS CLUBS

. . . complete services to fit particular
needs . . . with cost-saving features,
exclusive with Rand McNally.



BANKERS MONTHLY

— the magazine that bankers read with
interest and profit.

Serving American Banks and Bankers since 1872

RAND McNALLY & COMPANY BANKING DIVISION

536 S. CLARK STREET, CHICAGO 5, ILLINOIS • 111 EIGHTH AVENUE, NEW YORK 11, NEW YORK

Other officers elected were: vice-president, Carl G. Freese, president and treasurer, Connecticut Savings Banks, New Haven; treasurer, Randolph H. Brownell, president, Union Square Savings Bank, New York; executive secretary, John W. Sandstedt, New York.

* * *

The establishment of a loan fund for students of the University of Missouri who enroll for the new courses in "Rural Banking" or "City Banking" was announced at the 60th annual convention of the Missouri Bankers Association.

The original contribution to the fund is \$500, donated by Leslie K. Curry, vice-president of the Mercantile-Commerce Bank & Trust Company, St. Louis, and president of the Missouri Bankers Association during the past year. A similar amount has been donated by the Mercantile-Commerce Bank & Trust Company, and it is expected that the association and leading banks throughout the state will add substantial donations to the new fund, according to MBA Secretary Hill.

The new banking courses are being offered by the University of Missouri for the first time this fall, and the Missouri Bankers Association will cooperate in the new program by counseling prospective students and by providing certain phases of training through actual bank work, primarily during the summer months.

* * *

A campaign to aid in saving Minnesota's natural resources has been

One of the posters used in the Minnesota Bankers Association campaign to conserve the state's natural resources



launched by the Minnesota Bankers Association, it is announced by N. A. Welle, president of the association and vice-president of the First National Bank, Bemidji.

Realizing that Minnesota is suffering from the careless treatment of its soil, woodlands and wildlife, the association has prepared posters, urging the adoption of soil, forestry and wildlife conservation practices, which are being mailed to members. Bankers, in turn, will distribute these posters to merchants, businessmen and schools for display in windows and on bulletin boards.

Two important meetings were held earlier this spring by the Pennsylvania and Delaware Bankers Associations. The PBA held its first consumer credit conference in Harrisburg, with an attendance of about 400. The Delaware association held its second annual agricultural clinic in cooperation with the University of Delaware at Newark.

* * *

More than 120 South Dakota bankers and their guests—a new attendance record—participated in a two-day short course last April at the State College in Brookings.



The Mount Rushmore Memorial in South Dakota is the largest monument ever created by man. It dwarfs the Colossus, the Sphinx and the Statue of Liberty, and just the sparkle in Lincoln's eye is from a 30-inch piece of sculptured granite!

The Mount Rushmore Memorial is truly "second to none" among monuments. And this same acclaim is held for Hood Rubber Tile among leading architects, designers and contractors. Installed in your bank, or specified for use to protect important investments in buildings, housing projects, mortgages, etc., this more efficient tile becomes a lifetime investment that will pay substantial dividends in economy, durability, ease of maintenance, comfort, quiet and blending beauty from a choice of 23 sparkling colors. And what's more, Hood provides curved or square-nosed Stair Treads and Cove Base. For remodeling or a new building program, make the whole job a Hood job. It's the smartest investment you can make. Write for free color catalog.

for BANKS, HOUSES, APARTMENTS, INSTITUTIONS, HOSPITALS, CHURCHES, BUILDINGS . . . WHEREVER BETTER FLOORING IS NEEDED!

The choice for a lifetime!

TWO GREAT NAMES

B.F. Goodrich
Hood Rubber Co.
WATERTOWN, MASS.

ASPHALT
TWO GREAT TILES

BANKING NEWS

Program Is Announced for A.I.B.'s 50th Convention

Country's Leading Bankers to Speak at Institute-Departmental Conferences

The complete program of speakers at the Golden Anniversary Convention of the American Institute of Banking in Minneapolis on June 11-16 has been announced by Hartwell F. Taylor, Institute president. J. Kaye Ewart, vice-president of the A.I.B. and vice-president, National Bank of Washington, Tacoma, is chairman of the Program Committee, and Garnett A. Carter, vice-president, The Fulton National Bank, Atlanta, is chairman of the Departmental Conference Committee. Mr. Ewart is in line for the Institute's presidency.

The program, in condensed form, is as follows:

Commemorative Session, Evening, June 11: Address of welcome by Malcolm M. Willey, vice-president, University of Minnesota; "The Institute, an American Institution," by Fred I. Kent, New York, known as the Institute's first president; presentation of rings and life membership cards to past national officers and executive councilmen; community singing; panorama of Institute history; and summation by Frank M. Totton.

First Business Session, Monday A. M., June 12: Presiding, President Taylor. "Address of Welcome," by Clarence R. Chaney, chairman, Minneapolis Convention Committee, who is vice-chairman of the board, Northwestern National Bank; greetings of the American Bankers Association, by President F. Raymond Peterson; address by Secretary of the Treasury John W. Snyder; and annual reports by National Secretary Floyd W. Larson, Educational Director Leroy Lewis, and President Taylor.

National Public Speaking Contest for A. P. Giannini Educational Endowment Prizes, Monday P. M., June 12: Presiding, Samuel M. McGinnis, First Wisconsin National Bank, Milwaukee; chairman, Public Speaking Committee. General theme: "Our American Enterprise System." Eight district contestants will compete.

(CONTINUED ON PAGE 84)



Hartwell F. Taylor



J. Kaye Ewart

A.I.B. to Honor Its Past Presidents At Birthday Jubilee

Tribute will be paid to the living and deceased past presidents of the American Institute of Banking at the forthcoming Golden Anniversary Convention of the Institute in Minneapolis on June 11-16. These men, during their active participation in the A.I.B. affairs, contributed generously of their time, knowledge, and leadership.

The Institute, like other great educational institutions, is a compound of the ideals of the men and women who have been closely identified with it and helped to mould its policies.

(A feature on the living former presidents may be found on page 42.)

The deceased past presidents are listed below with the names of the chapters with which they were affiliated during their incumbencies, and the years of their elections:

Alfred M. Barrett, New York (1904); George H. Richards, Minneapolis (1905); A. Waller Morton, Baltimore (1907); Franklin L. Johnson, St. Louis (1908); Newton D.

(CONTINUED ON PAGE 85)

Reorganization Plan 1 Defeated; Was Opposed By Executive Council

Council Calls for Cut in Federal Loans

Government Reorganization Plan No. 1, which would have subordinated the Comptroller's office to the Secretary of the Treasury, was defeated on May 11 by a Senate vote of 65 to 13.

At its recent Spring Meeting in French Lick, Ind., the Executive Council of the American Bankers Association reaffirmed the Association's opposition to Plan No. 1. It also restated its disapproval of further extension of governmental or semigovernmental lending or guarantee of loans and called for a drastic reduction of the Government's emergency powers.

F. Raymond Peterson, A.B.A. president and chairman of the board, First National Bank and Trust Company, Paterson, N. J., presided at the Council sessions, which were preceded by meetings of the Administrative Committee and by meetings of the officers of the divisions

(SEE TOP OF NEXT PAGE)

President Peterson addresses the Executive Council of the A.B.A. at the Council's Spring Meeting in French Lick, Indiana. With Mr. Peterson on the speakers' dais, left to right, Henry M. Sommers, A.B.A. assistant general counsel; Glenn L. Emmons, president, First State Bank at Gallup, New Mexico, and A.B.A. treasurer; James E. Shelton, president, Security-First National Bank of Los Angeles, and A.B.A. vice-president; Dr. Harold Stonier, A.B.A. executive manager; and Merle E. Selecman, A.B.A. deputy manager and secretary



BANKING

and sections and by commissions, councils, committees.

The A.B.A. resolution opposing the transfer of the Comptroller's Office was offered by the National Bank Division, headed by William B. Gladney, president, Fidelity National Bank, Baton Rouge, La. The Small Business Credit Commission offered the resolution objecting to further Government encroachment in the credit field.

The resolution pertaining to the Comptroller's Office reads, in part, as follows:

"The Plan would thus make the Office of the Comptroller, which charters and supervises national banks, wholly subordinate to the Secretary of the Treasury, and the 87-year semi-independent status of the Office would be destroyed.

"Throughout its history, the Comptroller's Office has contributed to the stability and soundness of the national banking system. The expenses of the Office are met exclusively by assessments and fees levied upon the national banks it charters and supervises, and no part of its financial support is provided by the Treasury or the taxpayers.

Equal Prestige

"The Comptroller's Office now has, and has always enjoyed, equal prestige with other Federal banking supervisory agencies and this has helped to provide an effective system of Federal bank supervisory checks and balances. Moreover, the powers and authority conferred upon the Treasury Secretary by the Plan may eventually result in the disruption of the dual system of banking.

"In a communication of April 7, 1950, addressed to the chairman of the Senate Committee on Expenditures in the Executive Departments, the Secretary of the Treasury stated:

"In the course of his duties, the Comptroller of the Currency exercises a number of quasi-judicial powers of great importance. In my judgment, it is highly desirable that all such functions in this field should be performed by an official whose duties are definitely and per-

manently related to the national banking system alone. . . . It is difficult to see how the operations of the Office of the Comptroller of the Currency could be performed with greater effectiveness . . ."

"The Senate Banking and Currency Committee and the Senate Committee on Expenditures in the Executive Departments have voted their opposition to the Plan.

"In 1939, and again in 1948, the Executive Council of the American Bankers Association expressed its opposition to any plan threatening the existence or the semi-independent status of the Comptroller's Office. The Association's Executive Council reaffirms the position it has previously taken and resolves that it is opposed to Government Reorganization Plan No. 1 of 1950. The Executive Council endorses Senate Resolutions 246 and 247, either of which, if enacted, will prevent the Plan from becoming effective."

Government Loans

The second resolution pertaining to Government lending and the guaranteeing of loans, reads:

"The Small Business Credit Commission reaffirms the declaration of policy of the American Bankers Association on Government lending and guaranteeing of loans adopted by the General Convention in Atlantic City, New Jersey, October 1, 1947, which is as follows:

"During the emergencies of the depression and the war, a number of new methods were employed to finance business, including direct lending by the government, and government guaranty of loans. With the coming of peace and a return to more normal conditions, these special financing methods need reconsideration because they present several dangers.

"Loans and loan guarantees by governmental and semi-governmental agencies are in reality subsidies favoring certain groups of borrowers. They impose a further burden on the taxpayers at a time when the government's budget must be drastically reduced and they encourage unsound and inflationary conditions.

(CONTINUED ON PAGE 85)



SAFEGUARD YOUR RIGHTS
CHARTERED BANKING

Everybody Benefits -

Here in America we have an American banking system - CHARTERED BANKING

CHARTERED is an all-important word. Banks in this country obtain permission to do business from the Federal government, or from their State government. Thus we have some National banks and some State banks. National banks are examined by the Federal government. State banks are examined by State bank supervisors. The banking rules and standards these authorities prescribe are high. Chartered banking means government-supervised banking, but not government-controlled banking.

CHARTERED BANKING under this dual system is your assurance of the very best in banking service. It encourages keen competition among banks for your patronage, a factor that keeps each bank on its toes.

This is a section of the sixth ad in the Public Relations Council's new series developing the theme "Safeguard Your Rights to Chartered Banking".

Chartered Banking Safeguards Is Theme of a New Ad Series

"You Are the Bank" PR Folders Ready

"Safeguard Your Rights to Chartered Banking" is the general theme developed in a series of six newspaper advertisements prepared by the Public Relations Council of the American Bankers Association.

The same general theme is developed in a direct mail folder for use in arousing the public to the need of safeguarding chartered banking.

The sub-themes used in the other ads in the series, with appropriate illustrations, are: "Credit—where credit is due"; "Your Right to Privacy"; "Freedom of Choice"; "The Right to Succeed"; and "Progress and Prosperity."

Four new personnel-customer relations direct mail folders on the subject "You Are the Bank" have been released by the Council. Each folder is printed in two colors, is attractively illustrated, and each one emphasizes a different phase of customer relations.

Still another interesting folder by the Department is entitled "Arrange an Easy-to-Lift Bank Mortgage."

Bound Texts Ready on Credit Meetings

The Credit Policy Commission of the American Bankers Association has published a complete "Proceedings" of its Second National Credit Conference held in Chicago in January of this year. The volume contains the complete text of every address and the complete registration list. The book may be purchased through the Commission at 12 East 36 Street, New York 16, N. Y.

The Consumer Credit Committee also has published in a bound volume the proceedings of the National Installment Credit Conference held in Chicago in late March. This book is available through the Consumer Credit Committee.

George Ward Takes Additional Duties

George B. Ward, secretary of the Committee on Service of War Veterans of the American Bankers Association, has been named assistant director of the department of Customer and Personnel Relations, of which Deputy Manager William Powers is director. The appointment was confirmed at the spring meeting of the Executive Council in French Lick, Ind.

A.I.B.'s 50th Anniversary Convention

(CONTINUED FROM PAGE 82)

Educational, Tuesday A.M., June 13: Presiding, Martin J. Travers, Power City Trust Co., Niagara Falls, N. Y.; chairman, Educational Advisory Committee, who will speak on "The Purpose and Objectives of the Educational Conference." "A University Dean Looks at the Institute's Educational Program," by Dr. Ellis M. Sowell, dean, The School of Business, Texas Christian University, Fort Worth. "Planning and Selling the Formal Educational Program"—Panel. Leader, Mr. Travers. Members: Howard E. Fletcher, The Bank of Douglas, Phoenix; Richard E. Foehl, The Pennsylvania Company for Banking and Trusts, Philadelphia; Stetson B. Harman, First Trust and Savings Bank, Pasadena; Dorothy McCurdie, The Detroit Bank, Detroit; and Scott O'Leary, Bank of America N.T. and S.A., Los Angeles. "Institutes of Banking Around the World," by Dr. William A. Irwin, economist, American Bankers Association, New York.

Educational, Tuesday P.M., June 13: Presiding, Mr. Travers. "Looking Ahead With Bank Management," by Thaddeus C. Cox, Central Hanover Bank and Trust Company, New York. Panel: "Debating, Effective Speaking, and Forums and Seminars Are Musts in Your Informal Educational Program," led by Joseph F. Cornelius, First National Bank in Spokane. Members: George E. Levine, The Providence Institution for Savings; Kenneth S. Patton, National Bank of Detroit; B. R. Resch, The Anglo California National Bank, San Francisco; William H. Smith, The Riggs National Bank, Washington; and J. Ralph Wagner, National Bank of Wyandotte, Michigan. "Retrospect and Prospect," by National Educational Director Leroy Lewis.

Women's

Women's, Wednesday A.M.: Presiding, Mrs. Eleanor Conners Waters, The Seamen's Bank for Savings, New York; chairman, National Women's Committee. "Address of Welcome," by Genevieve M. Nevin, chairman, Minneapolis Convention Women's Committee; Northwest Bancorporation, Minneapolis.

Guest of honor, Ida M. Henry, first chairman, National Women's Committee; First Bank and Trust Company of Utica, N. Y. Panel discussion on how the purposes of the local women's committees can be translated into effective and stimulating programs. Panel composed of district representatives of the National Women's Committee: Natalie D. Brown, People's Savings Bank, Providence; Marie M. Olsen, The First National Bank of Glen Cove, N. Y.; Justine Rack, The Pennsylvania Company for Banking and Trusts, Philadelphia; Margaret E. Kinsey, Peoples First National Bank & Trust Co., Pittsburgh; Margie Hinck, Florida National Bank, Jacksonville; Mrs. Gwynne Justice Johanson, Federal Reserve Bank of Atlanta, New Orleans; Geraldine White, First National Bank, Akron; Violet Russell, Federal Reserve Bank, Chicago; Dorothy M. Slater, First Trust Company of Saint Paul; Mrs. Ruth G. Hollander, Bank of America, South Pasadena; and Hermine Hogan, The United States National Bank, Portland. "What Makes News," by Mary B. Leach, assistant to the editor, BANKING. "Visibility Good, Ceiling Unlimited," by Marion Turner, assistant to educational director, American Institute of Banking.

Credits

Credits, Wednesday A.M., June 14: Presiding, J. Vincent O'Neill, executive vice-president, Mercantile National Bank, Chicago. Speakers, S. Guernsey Jones, vice-president, National Newark & Essex Banking Company, Newark, and Edwin B. Wright, president, Drovers & Merchants Bank, St. Joseph, Mo.

Savings and Mortgage, Wednesday P.M., June 14: Presiding, George O. Nodyne, vice-president, East River Savings Bank, New York. "The Importance of Economic and Political Trends to the Banker," by Walter R. Williams, Jr., treasurer, Union Dime Savings Bank, New York; "The Costs in Acquiring and Servicing Mortgages," by William A. Reckman, president, Western Bank and Trust Co., Cincinnati; and "Are Banks Main-

taining Their Position in the Savings Field?" by John deLattre, vice-president, Farmers & Mechanics Savings Bank, Minneapolis.

Trust Business and Investments, Wednesday P.M., June 14: Presiding, S. J. Kryzsko, president and senior trust officer, The Winona National and Savings Bank, Winona, Minn. "New Efficiencies in Trust Operations," by Joseph T. Keck-eisen, assistant vice-president and secretary, The First National Bank of Chicago; "Trust Investments Geared to a Changing Economy," by Paul I. Wren, vice-president, Old Colony Trust Company, Boston; and "Growing Into the Trust Business—The Human Side of a Great Public Service," by Willard W. Holmes, vice-president, Northwestern National Bank, Minneapolis. Question period following each speaker.

Public Relations

Institute Public Relations, Wednesday P.M., June 14: Presiding, J. Hammond Siler, Jr., Federal Reserve Bank, Richmond; chairman, Public Relations Committee. Theme: "Action versus Inaction." "A Challenge and an Opportunity for Service," by Carlisle R. Davis, State-Planters Bank and Trust Company, Richmond. Discussion of "Inaugurating and Developing Institute Public Relations Activities" for chapters with memberships under 500, led by A. M. Lee Nordi, National Bank of Washington, Tacoma. Panel members: Fred W. Greene, North Carolina Bankers Association, Raleigh, and Anne Price, Commonwealth Trust Company, Pittsburgh.

Discussion of "Expanding Institute Public Relations Activities" for chapters with more than 500 members, led by Gordon W. McGinley, The Farmers and Merchants National Bank, Los Angeles. Panel members: Willis B. Conner, Jr., Merchants National Bank, Indianapolis, and D. W. Hennev. Security-First National Bank, Los Angeles.

National Convention Debate for the Jesse H. Jones Debate Prizes, Wednesday evening, June 14: Presiding, Ellis H. Boyd, Jr., The First National Bank of Fort Worth; chairman, National Debate Committee. Question: "Resolved, That the

Federal Government Should Enact a Uniform Fair Trade Practices Act." Two finalist teams in district elimination contest will compete.

Advertising

Business Development and Advertising, Thursday A.M., June 15: Presiding, David L. Colby, vice-president, The Boatmen's National Bank of St. Louis. "How to Develop and Manage a Bank's Successful New Business Campaign," by Bruce W. McPhee, assistant vice-president, Security-First National Bank, Los Angeles; "Extension of the Credit Department's Facilities in a Bank's Business Development Program," by Kendric B. Morish, vice-president and assistant manager, American Trust Company, Oakland; and "Television—Its Challenge to Banking as an Advertising Medium," by John J. Barry, vice-president, National Shawmut Bank, Boston. Questions and answers.

Chapter Administration, Thursday A.M., June 15: Presiding, Theron D. Elder, First National Bank and Trust Company, Oklahoma City; chairman, Administrative Advisory Committee. Theme: "Effective Chapter Operation." "Planning," by Bernard H. Ineson, Providence Institution for Savings; "Promoting," by Billie Jean Kincheloe, The Liberty National Bank & Trust Co., Oklahoma City; "Directing," by George W. Herman, Security-First National Bank, Los Angeles; and "Maintaining," by James W. Dodd, Jr., Federal Reserve Bank, Richmond.

Management

Bank Management and Operations, Thursday P.M., June 15: Presiding, H. Waldo Graff, vice-president, American National Bank, Beaumont, Tex. "Personnel Administration," by Arthur S. Greiner, assistant cashier, National Bank of Detroit; "Greater Efficiency in Bank Operations as a Means to Offset Rising Costs," by James H. Kennedy, vice-president and cashier, The Philadelphia National Bank; and "Public Relations—A Responsibility of Management," by J. Lewell Lafferty, vice-president, Republic National Bank of Dallas. Questions and answers.

Chapter Administration—

Group I, Chapters with Membership of Over 250—Thursday P.M., June 15: Presiding, Alvin E. Roemershauser, Whitney National Bank, New Orleans; member, Administrative Advisory Committee. **Panel:** "Effective Chapter Operation," composed of Edward L. Bittner, First National Bank, Kansas City; Frederick M. Darrow, Onondaga County Savings Bank, Syracuse; John H. Duerk, The Howard Savings Institution, Newark; John H. Howard, Jr., Federal Reserve Bank, Boston; Madeline McGee, First and American National Bank, Duluth; and W. J. Thomas, Federal Reserve Bank of San Francisco, Los Angeles. Remarks by Secretary Larson.

Group II, Chapters With Membership Under 250: Presiding, W. Frank Phillips, Commercial National Bank, Charlotte, N. C.; member, Administrative Advisory Committee. Panel on

"Effective Chapter Operation" composed of Hartwell Davis, The Omaha National Bank; Marie M. Olsen, The First National Bank of Glen Cove, N. Y.; Ira S. Pruitt, Security Trust Company, Wilmington, Del.; John D. Sipple, The Marine National Bank, Erie, Pa.; N. M. Starry, Bank of America National Trust and Savings Association, Los Gatos, Calif.; and Kenneth W. Turnbull, Plainfield (N. J.) National Bank. Remarks by Associate Secretary Robert C. Rutherford.

Caucuses, Thursday evening, June 15: Leaders, Frank M. Totton, vice-president, Chase National Bank, New York; Harry R. Smith, vice-president, Bank of America, San Francisco; J. L. Dart, president, Florida National Bank, Jacksonville; Pierre N. Hauser, vice-president, First Wisconsin National Bank, Milwaukee.

Second Business Session,

Honor Past Presidents

(CONTINUED FROM PAGE 82)
Alling, New York (1909); Ralph H. MacMichael, Pittsburgh (1910); Raymond B. Cox, Baltimore (1911); H. J. Dreher, Milwaukee (1913); William S. Evans, Philadelphia (1914).

Also, E. G. McWilliam, Los Angeles (1916); Stewart D. Beckley, Dallas (1920); Bruce Baird, New Orleans (1925); Paul B. Detweiler, Philadelphia (1926); Ben Aley, Denver (1930); Henry J. Mergler, Cincinnati (1931); and Frank R. Curda, Chicago (1937).

Friday A.M., June 16: Presiding, President Taylor. Report of Resolutions Committee, Report on Credentials, "Gresham's Law, Education and the Uncommon Man," by Dr. J. L. Morrill, president, University of Minnesota; Institute business.

A.B.A. Opposes Plan

(CONTINUED FROM PAGE 83)
tional lending.

"In the interest of the national economy, this Association continues to oppose further extension of governmental or semigovernmental lending or guaranty of loans and favors a drastic reduction of the Government's wartime and emergency powers.

"The country's banking system and other private credit agencies have the resources, the know-how, and the will to supply to business, large and small, the credit it requires and should have."

"In view of the current discussion of legislation designed to insure loans to business, the Small Business Credit Commission hereby also asserts its opposition to any type of Government or Government sponsored insurance of loans to business."

CALENDAR

American Bankers Association

June 11-16	50th Anniversary Convention, A.I.B., Nicollet Hotel, Minneapolis, Minnesota
June 19	The Graduate School of Banking, Rutgers University, New Brunswick, N. J.
July 1	
Sept. 24-27	Diamond Anniversary Convention, New York, N. Y.
Oct. 18-20	24th Western Regional Trust Conference, Los Angeles Biltmore, Los Angeles, Calif.
Nov. 9-10	19th Mid-Continent Trust Conference, Statler Hotel, St. Louis, Mo.

State Associations

June 2-3	Utah, Sun Valley Lodge, Sun Valley
June 5-7	Illinois, Sherman Hotel, Chicago
June 7-8	Minnesota, Hotel Duluth, Duluth
June 7-11	District of Columbia, The Greenbrier, White Sulphur Springs, W. Va.
June 8-9	Massachusetts, New Ocean House, Swampscott
June 8	Rhode Island, Industrial Trust Company, Providence
June 9-10	Connecticut, Equinox House, Manchester, Vermont
June 9-10	New Hampshire, Hotel Wentworth-by-the-Sea, Portsmouth (Joint Convention with Savings Banks Association of New Hampshire)
June 9-10	Wyoming, The Plains Hotel, Cheyenne
June 10	Nevada, Stockmen's Hotel, Elko
June 11-13	Idaho, The Lodge, Sun Valley
June 11-13	Oregon, Hotel Multnomah, Portland
June 12-14	Virginia, The Homestead, Hot Springs
June 15-18	New York, Essex & Sussex & Monmouth, Spring Lake, N. J.
June 16-17	Vermont, Equinox House, Manchester
June 18-20	Washington, Leopold Hotel, Bellingham
June 19-21	Wisconsin, Hotel Schroeder, Milwaukee
June 22-24	Michigan, Grand Hotel, Mackinac Island
June 22-24	Montana, Many Glacier Hotel, Glacier National Park
June 23-24	New Jersey Savings Banks, The Monmouth Hotel, Spring Lake
June 23-25	Maine, Poland Spring House, Poland Spring

July 9-14	Carolina Banking Conference, University of North Carolina, Chapel Hill
Aug. 10-12	West Virginia, The Greenbrier, White Sulphur Springs
Aug. 21-Sept 1	Pacific Coast Banking School, University of Washington, Seattle
Aug. 21-Sept 2	School of Banking of the University of Wisconsin, sponsored by the Central States Conference, University of Wisconsin, Madison
Sept. 13-16	Massachusetts Savings Banks, Hotel Wentworth-by-the-Sea, Portsmouth, N. H.
Oct. 4-6	New York Savings Banks, Lake Placid Club, Lake Placid
Oct. 11-12	Nebraska, Paxton Hotel, Omaha
Oct. 15-17	Kentucky, Brown Hotel, Louisville
Oct. 16-17	Connecticut Savings Banks, Mountain View House, Whitefield, N. H.
Oct. 22-25	Iowa, Des Moines
Nov. 9-11	Arizona, Arizona Biltmore Hotel, Phoenix

Other Organizations

June 5-17	School of Banking of the South, Louisiana State University, Baton Rouge
June 19-July 1	American Institute of Real Estate Appraisers and The College of Agriculture and University Extension of the University of California, course on "The Appraisal of Farm Lands," the University of California, Davis, California
June 19-23	Mortgage Bankers Association of America, 3rd Annual Mortgage Banking Seminar, held in co-operation with Northwestern University, Chicago, Illinois
Sept. 17-22	Financial Public Relations Association, Hotel Statler, Boston, Mass.
Sept. 21-24	Association of Bank Women, Annual Convention, Hotel Biltmore, New York
Sept. 27-29	Mortgage Bankers Association of America, Annual Convention, Statler and Book-Cadillac Hotels, Detroit, Michigan
Oct. 22-25	Consumer Bankers Association, Westchester Country Club, Rye, New York
Oct. 23-26	National Association of Bank Auditors and Comptrollers, Annual Convention, Kansas City, Missouri
Nov. 5-8	Robert Morris Associates, The Greenbrier, White Sulphur Springs, West Va.

Promoting and Compensating Bank Personnel

WILLIAM POWERS

This article is a continuation of the personnel management discussion which the author has had in BANKING's February, March, and May issues. MR. POWERS is deputy manager of the American Bankers Association and director, Customer and Personnel Relations.

DURING the past few months, this discussion has outlined policies and methods followed by many bank personnel officers in selecting, training, placing, and rating staff members. Comment now upon promoting, paying, and protecting bank men and women would seem to be in order.



Promoting

Maintaining a uniform policy and procedure covering regular or special review of qualified staff members available for additional training or actual promotion into positions of higher responsibility.

Most of us take it for granted that since, somehow or other, people do move from lower to higher levels in our business, there must prevail a well marked route toward advanced positions. But this impression is subject to revision on close inspection of some institutions where steps preceding promotion are faulty in construction.

In a business consisting of 15,000 privately owned and separately run units, there are bound to be hundreds of individual organizations in which hiring procedures are lax, records are inadequate, training and educating programs are nonexistent, inventories of skills are absent, formal or informal job evaluating is not done, and merit or performance rating plans are not in operation.

However, in other banks where officers have the de-

sire, time, and ability to carry conscientiously their personnel administration responsibilities, constant attention is given to maintenance and improvement of the procedures upon which fair (to both employee and employer) promotion practices are based. All of the steps are interdependent, one upon the other, and each step, if properly taken, can contribute factual information toward intelligent promotion decisions.

The full benefit of this information is usually made available to management through an established routine of frequent reviews of all members of the staff. In these reviews, a summation of each staff person's current record of training, experience, ability, skill, attitude, and performance is matched against a summary of more advanced job requirements. When advanced openings do not exist at a particular moment, reminders are set up to bring back for special review staff members apparently qualified to move at the earliest opportunity.

Promotion of the "emergency" type, while necessary at times, is frowned on by personnel men who strive to improve morale and production.

Paying

Adjusting regular compensation and establishing profit-sharing or other monetary incentives that will give due consideration to merit, length of service, caliber of production, labor market conditions, and cost of living.

Unlike a manufacturing business, a bank spends relatively little of its income for material. Its production expense is mainly payroll. The product, as delivered to the customer, is not a shiny, streamlined gadget or an appealing object attractively wrapped. It is invariably a package of intangibles, almost entirely composed of the intelligence, interest, know-how, attitude, and



cooperation of the men and women in a service organization.

This package of service is a bank's chief source of income, and good management tries to raise the contents to the highest possible grade.

What makes up quality? Of course, adequate physical accommodations, good equipment, efficient methods, and some materials all help to make up quality service, and improve income. But the most important element is the personal performance of the bank staff members.

Measuring or grading that element involves consideration of the same factors that are examined in the promotion phase of personnel administration. Careful attention must be given to the past and current performance of staff people, and remuneration is adjusted through salary increases, bonus allowances, or special money awards.

In addition to personal factors such as quality and quantity of production, consideration must be given by management to economic elements—labor market conditions and major changes in the cost of living—that have a direct bearing on community wage rates.

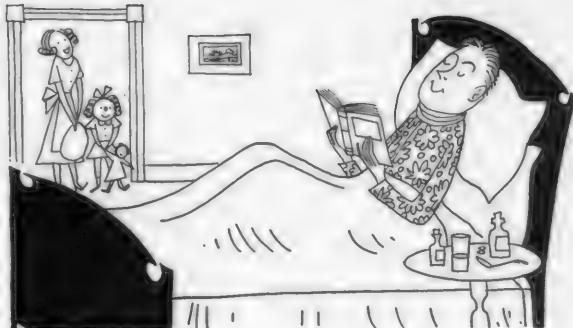
Dependable information on all of the factors, both personal and economic, is essential to intelligent analysis of a staff member's value to a service organization. Gathering that information, keeping it current, and arranging it in usable form constitute some of the most important functions of the personnel officer.

Decisions made on salary adjustments have an all-important effect on the morale and efficiency (and private lives) of the working force. They may increase or diminish the quality content of a bank's service package. They, therefore, raise or lower a bank's earning potential.

Protecting (Insurance and Pensions)

Providing desirable contributory or noncontributory plans for group insurance, hospitalization, medical service for all staff members, and future financial security for aged or incapacitated employees.

The national trend of recent years in all lines of commercial and industrial activity, both white collar and blue collar, has been toward ever-increasing benefits in the form of insurance, medical service, and retirement plans. Some of these benefits have long been available to many bank employees, and they are pre-



sumed to have had a beneficial effect on the morale of bank workers. If that were true in years gone by, it is more so today when people in other fields, who formerly had none of these benefits, are now sharing extensively in them. If an employer has little or nothing to offer—in the form of life, medical, or surgical insurance—there is the possibility that some of the employees feel "antagonistic" toward the organization which, in their opinion, is "out of step with social developments."

Today, many employers maintain that a mutually acceptable retirement policy has a beneficial effect, not only on the technical proficiency of employees but upon their attitude in all of the situations involving contacts with people. Peace of mind is expected to make it possible for employees in advanced years to devote their entire attention to customer service and not have to spend a large portion of their waking and working hours worrying about what is going to happen to them financially when the 60th or 65th birth anniversary is celebrated.

Again, the national trend toward more and more emphasis being placed on present protection and old-age security increases the interest of employees in what a bank has planned for them. Personnel men are fully aware of this widespread development, and many of them have made great improvements in their protective programs.

They realize, of course, that heavy costs are attached to broad insurance coverage. But they consider such expense as part of staff member remuneration for services that, it is hoped, will be delivered efficiently and effectively to customers whose appreciation will be reflected through increased income to their banks.

Small Business Assistant for ECA

APPOINTMENT of Charles A. Richards as acting special assistant for small business to Administrator Paul G. Hoffman has been announced by the Economic Cooperation Administration.

He succeeds Bert H. White, organizer of ECA's small business program, who went to Europe to become special adviser to W. Averell Harriman, U. S. Special Representative in Europe.

Mr. Richards, who has been serv-

ing as chief of ECA's small business counseling group for the past several months, has had extensive experience in the export field, both in private business and in government.

Prior to coming to ECA, Mr. Richards was a special consultant to the director of the office of international trade, U. S. Department of Commerce. He was in government service working on export problems during both world wars. In World War I, he served as a member of the

War Trade Board both in this country and in the Paris office. Later, he was appointed honorary first secretary of the American Embassy in Paris.

During World War II, Mr. Richards served as foreign trade consultant to the Office of Chief Postal Censor in Washington and as liaison officer to the New York Office of Censorship. He is past president of the Philippine-American Chamber of Commerce.

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features—or made possible so many profit-making by-products of posting.

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Analysis of Activity and Costs in One City's Savings Banks—II

THOMAS L. NIMS

The first of two articles on the recent study of account activity and costs of operations made by four mutual savings banks in Albany, New York, appeared in the May issue of BANKING. It covered the results of an analysis of deposit and withdrawal transactions according to the size of accounts, and of the mortality experience of new accounts. The present article translates this activity into items of income and expense. MR. NIMS is assistant secretary of the Savings and Mortgage Division, American Bankers Association.

HAVING tabulated the data on the structure and behavior of savings accounts as previously described, the next important step in the Albany study was to determine the total average income of the four savings banks, and to apportion that income to the various components of savings bank operations.

Determination of income proved to be no great problem, for figures showing the amount of income from all investments was readily available. The committee decided to use the average current annual earning power of all the banks at or near

October 1, 1949, for purposes of this analysis, rather than income from a completed 12-month period. Thus the study of activity and the rate of income covered the same period of time.

The gross earnings of each bank were ascertained, and the average rate of earnings from all investments in relation to total deposits was computed to be 3.55 percent. The average franchise tax, deducted from gross earnings, was determined to be 0.03 percent, and the average cost of making and servicing invest-

(CONTINUED ON PAGE 92)

TABLE 5
INCOME AND EXPENSE, AND DIVIDEND ON ACCOUNTS WITH VARYING BALANCES
(Arithmetical Average of Four Albany Savings Banks)
Per Annum Basis

Income and Expense Items	SIZE OF ACCOUNT										
	\$25	\$50	\$75	\$100	\$150	\$200	\$250	\$300	\$500	\$1000	\$5000
<i>Income</i>											
Net rate of return relating to deposits, after franchise and investment cost—3.21%.											
Total.....	\$0.80	\$1.60	\$2.40	\$3.21	\$4.81	\$6.42	\$8.02	\$9.63	\$16.05	\$32.10	\$160.50
<i>Expenses and Dividends</i>											
Size cost (\$.095 per \$100).....	\$0.025	\$0.05	\$0.075	\$0.095	\$0.14	\$0.19	\$0.24	\$0.285	\$0.475	\$0.95	\$4.75
Maintenance cost (\$1.42 per account).....	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Deposit cost (a) (per account).....	.90	.90	.90	.90	.90	.90	.90	.90	.90	.90	.90
Cost of 2 withdrawals (per account).....	.92	.92	.92	.92	.92	.92	.92	.92	.92	.92	.92
Dividend (b) (Effective rate—1.93%).....	.48	.965	1.45	1.93	2.895	3.86	4.825	5.79	9.65	19.30	96.50
Total.....	\$3.74	\$4.25	\$4.76	\$5.26	\$6.27	\$7.29	\$8.30	\$9.31	\$13.36	\$23.49	\$104.49
<i>Withdrawal Transactions</i>											
Net profit or loss (italics=loss):											
After 2 allowed withdrawals.....	\$2.94	\$2.65	\$2.36	\$2.05	\$1.46	\$0.87	\$0.28	\$0.32	\$2.69	\$8.61	\$56.01
After 2 additional withdrawals (4 in all).....	3.86	3.57	3.28	2.97	2.38	1.79	1.20	.60	1.77	7.69	55.09
After 4 additional withdrawals (6 in all).....	4.78	4.49	4.20	3.89	3.30	2.71	2.12	1.52	.85	6.77	54.17
After 6 additional withdrawals (8 in all).....	5.70	5.41	5.12	4.81	4.22	3.63	3.04	2.44	.07	5.85	53.25
After 8 additional withdrawals (10 in all).....	6.62	6.33	6.04	5.73	5.14	4.55	3.96	3.36	.99	4.93	52.33
After 10 additional withdrawals (12 in all).....	7.54	7.25	6.96	6.65	6.06	5.47	4.88	4.28	1.91	4.01	51.41

(a) Total cost of all deposits per year divided by number of accounts.

(b) Basis 2 percent declared rate on full balance on accounts; deposits draw interest from the first of the month; minimum dividend earning balance, \$5.



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(CONTINUED FROM PAGE 90)

ments was estimated to be 0.31 percent. These deductions made the average net rate of return relating to deposits 3.21 percent, which is the income figure used in the accompanying table showing the breakdown of income, expense, and activity.

Expense Allocation

The determination of expense and its proper allocation to the banks' operations proved to be a more difficult task. Having agreed upon a def-

inite plan of procedure, as described in the May article, the figures were obtained from each institution and expenses were computed.

All of the expenses relating to window activity of the regular tellers' department were broken down into the following classifications (excluding school savings and club accounts):

(1) *Size*. This classification of expense comprises those items which apply to an account because of the amount of dollars contained therein. Federal Deposit Insurance Corporation premiums and the expense of

examinations are examples. The average cost per \$100 of deposit balance for the four banks, because of account size, was determined to be .095 percent, or 9½ cents per \$100 balance.

(2) *Maintenance*. This classification of expense comprises those items of cost which are common to all accounts regardless of size or activity. Computing and posting interest, proving interest, running trial balances and maintaining files, are examples. This is expressed in terms of so much per account regardless of size. The average maintenance cost for the four banks was determined to be \$1.42 per account, and was distributed uniformly to each account.

(3) *Activity*. These costs relate exclusively to the over-the-counter work of tellers for deposit and withdrawal transactions. They are expressed in terms of so much for each transaction. From the study of activity it was determined that costs per window deposit transaction averaged 39 cents in the four banks, and the costs per window withdrawal transaction averaged 46 cents. These figures also include items relating directly to window transactions, such as posting controls, and old and new balance proofs.

Applying Costs

The nature and objectives of the cost analysis were such that agreement among the committee members on the application of the figures of income and expense was necessary. For example, the following methods were adopted as a basis for applying costs:

(1) *Allowing for the cost of deposit transactions*. After deliberation it was decided for purposes of this study that all deposit expense should be absorbed in the spread between the interest-earned and the dividend-paid rate. As mutual savings bankers, the committee felt that receiving deposits was the primary function, and a special singling out of deposit costs for special supervision and scrutiny would not be consistent with this principle. Excess activity on the withdrawal side is the factor that holds down or pulls down an otherwise good account, even though it may be active as far as deposits are concerned. Deposit transactions averaged two and a quarter per account per year.

(CONTINUED ON PAGE 94)

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Now watch the trucks, moving up and down the street or waiting at the curb to load or unload.

Do you realize, Mr. Banker, that those bank customers of yours—those stores and offices and manufacturers and wholesalers and jobbers that are the lifeblood of your community—*could not do business today, without those trucks?* And do you know why?

Because the trucking industry transports everything you and your community eat, buy, use, or wear—all or part of its way to you.

The factories that borrow money from you to re-tool, to buy raw materials, to finance accounts-receivable, to replace wornout equipment—could not bring their raw materials in, or ship their finished goods out, if it were not for the truck operators in your community.

Yes—today more than ever, the "for-hire" truck operators, with their "for-hire" trucks available for short hauls or long cross-country trips, are *indispensable to business and industry* as your bank now knows it.

These long and short-haul operators now furnish you with one of the biggest prime credit outlets known to postwar America.

* * * *

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Now mind you: The truck operator's trucks are his tools of business. He has no plant. No raw materials to buy and sell. Yet the volume of business he does, collectively, is really colossal.

Last year the "for-hire" trucking industry grossed more than \$3,000,000,000 through interstate carriers alone.

Today—even though the truck operators have bought thousands of new trucks at high-credit rates—they are still far behind in equipment replacement. Today they are hauling more freight, more goods of all kinds, than ever before. They have got to keep on re-tooling, to handle this business—*business which is vital to your community.*

The booklet we offer you, sent on request, gives you the facts about the trucking industry—facts which every banker should know.

Please send for it on your bank letterhead. Read it; and judge for yourself whether the truck operators—at *your own local level*—represent a prime credit outlet you may have been missing.

THE AMERICAN TRUCKING INDUSTRY
AMERICAN TRUCKING ASSOCIATION, WASHINGTON 2, D. C.

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(CONTINUED FROM PAGE 92)

(2) *How many withdrawals should be regarded as normal?* Some figure had to be determined as a basis for the study of profit and loss on an account. It was found that for all four banks withdrawals averaged one and a half per account per year. It was further felt that depositors might reasonably be expected to withdraw from their accounts twice during a year. With this in mind, it was decided that two withdrawal transactions a year could be regarded as normal for a

true thrift account, regardless of size. The application of costs was therefore set up to recognize this fact.

(3) *Check cashing.* This was a sizable factor in the banks. It is known that in each bank between 75,000 and 100,000 checks are cashed for customers each year, at an actual salary cost of 3½ cents each. If total departmental overhead was included, the cost would be increased several times beyond this amount.

But the committee felt that this was an unavoidable service to which depositors feel entitled. The checks

are principally paychecks of railroad workers or Federal and state employees. It was decided for purposes of this study to absorb that cost in the general overall costs of the tellers' department.

(4) *Tellers' checks.* Different regulations are in effect in each of the banks relating to the issuing of tellers' checks. For purposes of this study, it was decided that the cost of this service should be absorbed in the same manner as that for cashing checks. This service is not a costly one when the privilege is not abused, and some of the banks do not issue these checks under \$250, except at money order rates.

(5) *Crediting Interest Dividends.* Since these entries in depositors' passbooks are usually made at the time of a deposit or withdrawal transaction, it requires no special extra time on the part of the tellers. It was, therefore, decided that no costs would be segregated for this activity, and that they would be absorbed in the overall costs of the tellers' department.

(6) *Mail Transactions.* It is estimated that mail transactions cost two to four times as much as window transactions, but since they are handled in slack periods of the day they assist in the overall operation of the department. The mail transactions handled in the Albany banks were not of large enough volume to warrant a separate account classification, and, therefore, it was decided to absorb them, for purposes of this study, in the overall cost of operation of the department.

(7) *State Department letters.* These letters are issued in duplicate to depositors for immigration purposes, average only one or two a week, and, therefore, were not felt to be items of expense large enough to separate. Also they are usually requested by depositors carrying sizable balances, which would warrant this service. It was decided to include them in the overall department expense for purposes of this study.

In observing the approach to the problem of analysis as above described, it is important to bear in mind that all expense, whether it be for cashing checks, issuing tellers' checks, crediting dividends, mail transactions, and issuing State Department letters — while small in relation to total department expense

(CONTINUED ON PAGE 96)

THE FORT WORTH NATIONAL BANK

FORT WORTH, TEXAS



STATEMENT OF CONDITION AT CLOSE OF BUSINESS
APRIL 24, 1950



RESOURCES

CASH AND DUE FROM BANKS	\$ 52,199,423.38
UNITED STATES GOVERNMENT SECURITIES.....	45,113,891.13
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS.....	4,983,794.27
OTHER BONDS, NOTES AND DEBTENTURES.....	1,699,410.15
STOCK FEDERAL RESERVE BANK.....	240,000.00
LOANS AND DISCOUNTS	71,583,227.70
INCOME EARNED—UNCOLLECTED	392,437.55
BANKING HOUSE	\$ 1,243,425.00
FURNITURE AND FIXTURES.....	1.00
GARAGE PROPERTY	251,000.00
OTHER REAL ESTATE	1.00
CUSTOMERS' LIABILITY—LETTERS OF CREDIT	49,000.00
OTHER RESOURCES	64,871.87
TOTAL	\$ 177,819,483.05



LIABILITIES

COMMON STOCK	\$ 4,000,000.00
SURPLUS	4,000,000.00
UNDIVIDED PROFITS	766,029.27
RESERVE FOR CONTINGENCIES	\$ 8,766,029.27
RESERVE—AMORTIZATION OF BOND PREMIUMS	1,509,857.44
RESERVE—TAXES, INTEREST AND EXPENSE	950,287.71
LETTERS OF CREDIT ISSUED	594,785.71
INCOME COLLECTED—UNEARNED	48,000.00
DEPOSITS:	
INDIVIDUAL	\$ 119,415,437.57
BANK	34,868,423.07
U. S. GOVERNMENT.....	3,315,145.77
OTHER PUBLIC FUNDS	7,811,431.96
TOTAL	\$ 165,410,438.37
	\$ 177,819,483.05

U. S. Government and other securities carried at \$26,205,299.40 in the above statement are deposited to secure public funds and for other purposes required or permitted by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



her desk is a Safe!

... How the Marquette National Bank of Minneapolis, Minn., Protects Commercial Ledger Records and Signature Cards from Fire at the "Point-of-Use."

What if a fire broke out during business hours in your bank? In the panic and confusion, who would carry your ledger records and signature cards to safety?

Here's how the Marquette National Bank solved the problem: They've protected these vital records from fire *right where they're actually used*, in insulated desks that combine perfect working convenience with the protection of a modern safe.

Remington Rand Safe-Ledger Desks provide this "point-of-use" protection... protection that's *certified* by both the Safe-Cabinet Laboratory and the Safe Manufacturers National Association. And the desks are really easy to work with! A special over-sized top provides extra roomy sorting space. Ledger records are right beside the bookkeeper, and signature cards are housed just below—all within easy reach.

Remington Rand has helped thousands of banks solve their record protection problems—is always ready to provide *your* bank with expert advice on this vital subject. Just call the office nearest you or write for free folder, SC 684, to Management Controls Reference Library, Room 1562, 315 Fourth Ave., New York 10, N.Y.

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SAFE-LEDGER TRAY



SAFE-DESK



SAFE-FILE



SAFE-CABINET



SAFE-KARDEX

(CONTINUED FROM PAGE 94)

—was not left out in making calculations for this study. It is distributed over maintenance, deposit, and withdrawal activity costs.

Income, Expense, and Activity Analysis

Having determined income, and decided upon a policy for the distribution of items of expense, the results as they apply to operations were then ascertained. Table 5 is a composite tabulation of all items of income, expense and activity.

(Tables 1, 2, 3, and 4 appeared last month.) It shows results on an annual basis as applied to accounts with progressive degrees of withdrawal activity.

Here are some of the interesting points revealed in this table:

INCOME

(1) *Net rate of return relating to deposits.* The net return (after franchise and investment costs) amounts to 3.21 percent. Applying this percentage to an account of \$25 produces gross annual earnings for that account in the amount of 80 cents.

A \$100 account earns \$3.21 for the bank, and a \$5,000 account earns \$160.50.

EXPENSES AND DIVIDENDS

(1) *Size costs* comprise those factors which apply to the account on the basis of dollars contained therein, as previously described. It is expressed in terms of so much per \$100 of deposits.

By analysis the average size cost per \$100 of deposit balance was found to be .095 cents. When this is apportioned to the various size classifications as shown in Table 5, it is evident that for every \$25 account the size cost is .025 cents. Every \$100 account has a size cost of .095 cents. A \$5,000 account has a size cost of \$.75.

(2) *Maintenance cost.* Maintenance costs are those common to all accounts, regardless of size or activity, as previously described. This is expressed in terms of so much per account regardless of cost. In this study the average cost for maintenance per account was found to be \$1.42, which is applied equally to all accounts.

(3) *Deposit cost.* The average cost for a year on deposit transactions was determined by analysis to be 90 cents per account, and is so indicated in the table. This figure represents the total cost of all deposits, divided by the number of accounts. In this study it is apportioned equally to all accounts, regardless of size. (Deposit transactions averaged two and a quarter per year per account.)

(4) *Withdrawals.* Having determined by analysis that the average cost per withdrawal transaction is 46 cents, an annual allowance of two withdrawals is regarded as normal for purposes of this study as previously explained. Therefore 92 cents is apportioned to each account, regardless of size.

(5) *The average interest dividend cost* chargeable against net income was determined by analysis to be 1.93 percent (based upon a declared rate of 2 percent). When this percentage is applied to ac-

(CONTINUED ON PAGE 98)

THE FIRST IN DALLAS

STATEMENT OF CONDITION *At the close of business April 24, 1950*

ASSETS

Cash on Hand and Due from Banks	\$110,023,034.78
United States Securities Owned	75,612,538.38
State, County and Municipal Bonds and Other Securities	10,634,779.85
Loans and Discounts	140,086,095.52
Customers Liability—Acceptances and Letters of Credit	661,189.14
Banking House and Equipment	2,978,064.80
Other Assets	60,405.10
	<hr/>
	\$340,056,107.57

LIABILITIES

Capital Stock	\$ 7,500,000.00
Surplus Fund	10,000,000.00
Undivided Profits	3,215,800.64
Reserved for Taxes, Etc.	\$ 20,715,800.64
Reserved for Contingencies	2,182,563.71
Acceptances and Letters of Credit	2,490,561.21
	661,189.14
DEPOSITS:	
Individual	\$224,714,811.27
Banks and	
Bankers	84,310,010.06
U. S. Gov't.	4,981,171.54
	<hr/>
	314,005,992.87
	<hr/>
	\$340,056,107.57

75TH YEAR OF DEPENDABLE CORRESPONDENT SERVICE



FIRST NATIONAL BANK in Dallas

Member Federal Deposit Insurance Corporation

Selling women fur coats on the instalment plan keeps a lot of animals from wearing theirs longer.

No fisherman says, "Now to make a long story short."

BE LVIDE ERRE

OUTPOST IN THE WILDERNESS



History records the tragedy caused by this brace of pistols



Shaving mirror belonged to doctor who attended Hamilton in famous duel

INDIANS and wild animals populated the wilderness in southwestern New York where Philip Church brought his bride in 1805. After studying law in this country and England, he had served as secretary and aide-de-camp to his uncle, Alexander Hamilton. Philip's wife was the former Anna Matilda Stewart of Philadelphia, daughter of General Walter Stewart. Though the rugged frontier life was a test of the young couple's fortitude, they quickly adapted themselves to the new conditions and played a prominent part in the region's growth and development.

The property, a vast 100,000-acre tract originally owned by Robert Morris, had been acquired in 1800 by Philip's father, John Barker Church, who gave his son half interest in return for assuming its administration. First making an exploratory expe-

Belvidere near Wellsville, N.Y., has twenty-six rooms and thirteen fireplaces

dition, Philip chose the site for his farm and future home on the banks of the Genesee River. Here a sawmill and gristmill were built and then the home where he brought his bride. It was known as the White House because it was the only painted structure in western New York.

In 1810, Belvidere, the Churches' permanent home, was completed. Designed by Benjamin Latrobe, it was built of stones from a nearby creek and bricks made on the premises. Privately owned today, it is one of this country's purest examples of classic revival architecture.

The Churches maintained friendly relations with the neighboring Indians and always set aside choice farm lands for their use. Each spring the tribesmen planted corn at Belvidere, returning in the fall for the harvest. To Mrs. Church they gave the name Ye-nun-ke-a-wa, meaning "The first white woman who has come" and in Philip's absence during the war of 1812 they offered to place a guard around the house for her protection from enemy marauders.

Until fairly recent years a set of dueling pistols were among Belvidere's prized mementos. Originally belonging to John Barker Church, they were used on three occasions in which the Churches were more or less directly involved. The first was a duel between John Church and Aaron Burr, in which neither participant was injured. The second was the duel in which Philip acted as second to Alexander Hamilton's son Philip when young Hamilton was killed. The third, fought on the same spot, was the famous Hamilton-Burr duel in which Hamilton was fatally wounded.

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Casualty Insurance, Fidelity and Surety Bonds

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(CONTINUED FROM PAGE 96)

counts of varying balances as shown in Table 5, it is seen that 48 cents is the apportioned share on a \$25 account, \$1.93 on an account of \$100, and \$96.50 on an account of \$5,000.

Income and Expense Items

As seen in Table 5, a savings account of \$200 produces \$6.42 income to the bank from investments (net rate of return). Items of expense, however, as evidenced by size, maintenance, activity and interest divi-

dends, cost the banks on an average \$7.29 on each account of \$200, resulting in an annual loss of 87 cents on the account. If more than the allowed two withdrawal transactions occur during the year, the loss on a \$200 account is increased by 92 cents for each two additional withdrawal transactions, as illustrated in the lower portion of Table 5.

The proportionate gain or loss per account for balances of varying amounts because of activity is further reflected in the lower portion of the table. An account of \$25 with

two additional withdrawals (four in all) incurs a net annual loss of \$3.86. An account of \$500 having an excess of six withdrawals beyond the two permitted (eight in all) incurs a loss of 7 cents.

There is much to be revealed from a careful study of this table, and it contains helpful information to savings bankers generally. It is probably the first time that a group of savings banks has combined their efforts to produce such comprehensive data covering savings banking activities in a single community. Its value to savings banking as a whole lies in the average results of account behavior and expense which have been obtained for a typical American community.

The method of studying account behavior and the application of income and expense items was chosen by the Albany banks for its suitability to their situation. It represents one method of approach to the problem of activity and costs. Variations of this method might well be regarded as more suitable to the requirements of savings analysis in other localities. Whether deposit transactions as well as withdrawal transactions should be itemized for expense, and whether check cashing or other items of expense should be absorbed as overhead, are all matters to be determined by different situations as they appear in individual banks.

Results of the Study

The study by the four Albany savings banks has resulted in a very clear, comprehensive portrayal of account activity and costs based upon a broad approach to the problem and full recognition of the basic principles of savings banking involved. Action by the individual banks resulting from this study has not been decided upon, but it is certain that it forms a basis for the determination of major policy decisions. There are several avenues of correction open. Education of the depositor as to the expense of maintaining his account, and the benefits of continued habits of thrift suggest themselves immediately as possibilities. Eliminating over-active accounts is another possibility, or levying some form of penalty for excessive withdrawal activity. The results are a major contribution to banking knowledge of savings account activity and costs.

STATEMENT OF CONDITION

At the Close of Business, April 24, 1950

RESOURCES

Loans and Discounts	\$ 66,201,868.24
U. S. Government Securities	66,236,548.92
State, County and Municipal Securities	16,803,185.11
Other Investment Securities	2,488,103.43
Stock in Federal Reserve Bank	360,000.00
Overdrafts	25,056.24
Bank Premises, Vault, Furniture and Fixtures	495,308.21
Other Real Estate	6.11
Cash and Due from Banks	58,750,149.95
	<hr/>
	\$211,360,226.21

LIABILITIES

Capital Stock—	
Common	\$6,000,000.00
Surplus	6,000,000.00
Undivided Profits	6,125,434.89
	\$ 18,125,434.89
Reserve for Taxes, Employees' Pension Plan, etc.	1,673,200.61
Deposits	191,561,590.71
	<hr/>
	\$211,360,226.21

Member Federal Deposit Insurance Corporation

OF OKLAHOMA CITY





Faster check clearances for your bank too!

Mail planes travel *fast*. And check collections are just as *fast* for The Pennsylvania Company's Correspondent Banks.

We're one of the nation's largest users of Air Mail for this purpose. And because our Transit Department operates 24 hours a day, our Correspondent Banks are assured of quick, efficient

clearance of *all* transit items at all times.

Why not enjoy this special service for your bank? We'll tell you more about it if you drop us a line. Better still, stop in to visit when you are in Philadelphia. You'll sense at once the friendly feeling that exists between The Pennsylvania Company and its Correspondent Bank "family."

19 OFFICES

PHILADELPHIA

MEMBER FEDERAL RESERVE SYSTEM

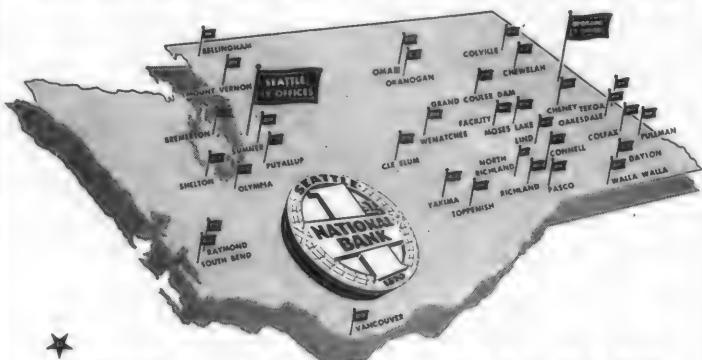
**THE
PENNSYLVANIA
COMPANY**

for Banking and Trusts

FOUNDED 1812

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON'S STATE-WIDE BANK



SEATTLE-FIRST NATIONAL BANK

STATEMENT OF CONDITION

At Close of Business April 24, 1950

Resources	Totals
Cash and Due from Banks	\$143,564,450.79
United State Government	
Securities	207,822,414.91
Obligations of Federal	
Agencies	9,997,194.66
State and Municipal	
Securities	62,694,101.08
Other Bonds and Securities	2,863,055.07
Loans and Discounts	194,947,497.67
Federal Reserve Bank Stock	720,000.00
Bank Buildings, Vaults, Furniture and	
Fixtures, etc.	4,191,738.93
Interest Earned Not Received	2,686,862.60
Customers' Liability Under Letters of Credit	
and Acceptances	1,352,219.27
TOTAL	\$630,839,534.98

Liabilities

Capital Stock	\$ 12,000,000.00
Surplus	12,000,000.00
Undivided Profits	7,081,631.73
Reserves for Contingencies	5,252,063.77
	\$ 36,333,695.50
Reserves for Interest, Taxes, etc.	1,881,114.68
Federal Funds Purchased	1,500,000.00
Discount Collected Not Earned	1,744,133.08
Letters of Credit and Acceptances	1,352,219.27
Deposits	588,028,372.45
TOTAL	\$630,839,534.98

Board of Directors

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J. A. Swalwell
 George Van Waters
 Katheryn Wilson



Member Federal Deposit Insurance Corporation

Life Insurance

(CONTINUED FROM PAGE 65)

nancing water supply projects for cities, roads for states and other such operations heretofore the exclusive preserve of governments.

These are some of the problems and difficulties facing the fast growing life insurance business today.

Stockholder Meetings Bullish

Stockholder meetings of large and small businesses throughout the country reflect clearly the recent change to a bullish psychology, at least for the third and, possibly, the fourth quarter of the year.

The \$10-billion American Telephone & Telegraph Co. had its longest and largest meeting. It lasted six hours and 50 minutes and it was attended by 950 shareholders. Leroy A. Wilson, president, pointed out that by the end of 1951 electrical facilities would be completed for coast-to-coast television networks.

General Foods Corporation's meeting likewise had a record attendance and stockholders were told that first quarter earnings exceeded the record of \$1.42 a share in 1948 and that the rest of 1950 "looks promising."

With few exceptions, a similar story was related at other meetings. Steel meetings heard of unprecedented consumer demand, which brought operations in recent weeks to the record of 100½ percent of capacity. U. S. Steel Corporation reported new high 1949 earnings, but a reduction in the first quarter.

Most aircraft companies likewise reported progress and so did the airlines. Dollar sales of E. I. du Pont de Nemours & Company increased 7 percent for the first quarter. International Business Machine Corporation holders voted an increase in capital. Shipments of Studebaker Corporation were up 30 percent in the first quarter.

Utilities had a good year, too, but oil companies did not do equally well, although 1950 prospects look better. By reason of special circumstances, some individual companies did not, of course, equal or better their previous records, and soft goods lines, particularly, are suffering from a slump.

"Oh Yes, Typing Is Lots Easier...



...this Underwood
All Electric Typewriter
is much faster and
never tires me out."

WELCOME words to every secretary...because the Underwood All Electric conserves so much of her time, and her energy.

When typing, her hands never leave the keyboard. Finger travel, hand travel are minimized . . . with the *Electric Keyboard*, *Electric Shifting*, *Electric Line Spacing*, *Electric Tabulating*, *Electric Back Spacing* and *Electric Carriage Return*.

The new Underwood Electric...with the scientifically-designed, exclusive Console Keyboard and Rimless Finger-Form Keys...provides a light, easy, rhythmic, responsive action. Impressions are uniform...all characters clean-cut, perfectly spaced and aligned. All carbons clear, neat, legible. Every letter...better!

Welcome news, too...to the business man faced with need for greater office efficiency.

Give your Secretary the opportunity to turn out the best work she's ever done . . . with an Underwood All-Electric that's made to order for her. Call your local Underwood representative today...for a demonstration.

UNDERWOOD
- All Electric -
TYPEWRITER

*Read what a fortunate young
lady* says about her
Underwood All Electric:*

"There is no comparison . . . especially in respect to quality and volume of work produced and energy exerted in the process. For instance, I can type steadily all day long without growing 'typewriter weary'—my little fingers do not become tired from rapid manipulation of the various keys, shift locks, back space, etc. There is practically no pressure at all on the keys, and no matter how long or constantly I type, I do not have to stop and rest my fingers. If I am required to type 15 or 20 copies, there is no pounding of keys or several retyping jobs in order to make enough legible copies. By making a small adjustment, I can make at least 20 clear copies, using a natural touch and letting the typewriter do the rest."

**Mrs. Irol Mae Congoloski,
Baton Rouge, La., secretary.*

June 1950

Shares in America

(CONTINUED FROM PAGE 37)

go along with me a little way on it—is in the hands of the people of this country at the ballot box. And it is in the hands of chambers of commerce who have the nerve to pass a resolution at ten minutes after eleven demanding an end to deficit spending and then at thirteen after eleven pass a resolution demanding millions and millions of dollars for some pet local project. What kind of fools are we in this country? We keep doing it day after day after day."

"To accumulate cash balances," said W. W. Campbell, "farmers must save. We bankers have a responsibility to encourage thrift among our farm customers. We must advise them to build financial reserves to meet the financial needs of modern farming, and to meet future needs.

"Through our advice many farmers have saved a sizable financial reserve in the form of savings accounts, life insurance, and United States Savings Bonds. Even with lower farm income, farmers increased their holdings of Savings Bonds in both 1948 and 1949. Last January it was estimated that farmers owned \$5,100-million dollars in Savings Bonds alone . . . a substantial cushion for future financial needs. It represents enough ready cash to pay off nearly all the farm-

mortgage debt in the whole country.

"One weak point, of course, is that the Bonds are not all held by the farmers who owe the debts. We bankers should be giving more thought to the problem of better distribution of Savings Bonds ownership. Small farmers as well as large operators ought to hold substantial reserves in Bonds.

"The present \$5-billion investment of farmers in Savings Bonds is a protection against adversity for any rural community. To realize its importance, we need only recall that in 1932 the total net farm income was less than \$2-billion. We should help build for financial protection against any possible recurrence of such dark days as those.

"Bankers have been leaders in promoting the sale of Savings Bonds to their farmer customers," Mr. Campbell continued. "At the same time this splendid thrift program initiated by the Treasury, indirectly, has benefited our banks. We have experienced sharp increase in savings deposits because more farmers are today aware of the value of thrift. Teaching thrift develops citizens with a more direct interest in their Government. We should continue to encourage thrift and more active interest in the Government's financial operations.

"Another excellent field in which

country banks can promote not only the sale of Savings Bonds but also good public relations is among our rural young people. Last year the Agricultural Commission of the A.B.A. cooperated with the Savings Bonds Division and the U. S. Office of Education in sponsoring a splendid educational program. This program is one of instructing high school students of vocational agriculture on the needs for building farm financial reserves. The program has again been endorsed by our Agricultural Commission this year. It includes active participation of local bankers in teaching students of vocational agriculture about U. S. Savings Bonds, savings accounts, life insurance, and other forms of financial reserves. A similar educational program for 4-H Boys and Girls is now being developed.

"These two programs offer country banks an excellent opportunity for building good public relations with the younger generation of rural people.

"We know farmers are now more careful about spending and will still have sufficient income to save. Few farmers get into financial difficulties if they have savings. A borrower who has some Savings Bonds to fall back on is a safer loan risk than a borrower who has no bonds.

"It will be good for both the farmers and the banks if we continue encouraging farmers to invest part of their savings in United States Savings Bonds."

THE following letter was sent to Norman T. Hayes, president of the Pennsylvania Bankers Association, by A. Markle, Jr., president of the Markle Banking and Trust Company of Hazleton, Pennsylvania:

"Dear Mr. Hayes:

"We have had something occur lately which is distressing and frightening, not only to us but to all those in the banking profession who realize what is happening.

"In 1947 we made a loan to one of our customers of \$75,000. Last month, through reductions, the loan stood at \$33,500, and the balance was then paid off entirely by the RFC.

"Again in January 1949 we made a loan to another corporation of \$180,000, which loan today stands at \$105,000. Now we have received

RFC Competition in Loans

notice that the Reconstruction Finance Corporation will make a new loan to the company and our loan will be liquidated. In this case the bank's refusal of the loan, or the participation offered, was because the amounts requested were far in excess of the legal limit of the bank to loan.

"Both of the above loans were good loans. We are sorry they are being paid off; sorry because it is difficult to get good loans today and we have surplus funds available for loans. What is happening to us, a small country bank, must be happening to other banks in Pennsylvania and all over the country, with dire effects to the banks and all

those who are gainfully employed by banks, to say nothing of the millions invested in bank stocks.

"What moral or economic thinking permits Government bureaucrats to use the taxpayers' money to compete, underbid, and take away business from chartered banks?

"The RFC was an emergency creation. The emergency has long since passed, and with the great amount of money in banks today, ready and waiting for good loans, the RFC has no reason to be kept alive. The RFC should be liquidated—not the banks.

Sincerely yours,
By Order of the Board of Directors,
Markle Banking and Trust Company
BY: A. Markle, Jr., President"

A Motion Picture Work Study

ROBERT N. HOGSETT, Jr.

The author of this article is a management consultant.

IN the course of a cost determination and methods improvement program recently conducted in a small bank, a problem arose in arriving at the proper staff and work load to operate under an extensive system revision. In order to arrive at sound answers, it became necessary to make motion and time studies of the revised operations, and of their relationship to each other.

Two methods of motion and time study were available, both proved by extensive use in industry. These were stopwatch observations and motion pictures. In the case of fast, short-cycle operations such as individual ledger bookkeeping and central proof work, motion pictures seemed to offer the greater profit, since they require much less observation time and produce records that can be studied at leisure without disturbing the operators.

There were some secondary but forceful reasons leading to use of movies wherever possible. In general, employees do not react well to stopwatch studies; they become self-conscious and do not perform normally. In some cases, injudicious and untactful handling of this method arouses active resistance. Conversely, most people like to have their pictures taken, and like to look at the results.

The taking of the pictures presented a few minor problems. It was found desirable to avoid the use of supplementary lighting as much as possible, since it tends to focus attention on the operator, to the detriment of her normal operation. Also, it involves setting up the lights and may interfere with other employees in the course of their work. Without additional lighting, the problem of accurate focus and proper camera placement became critical, since the use of a very fast lens, with correspondingly short depth of focus and restriction of viewing area is essential.

These obstacles need not be insur-

mountable, however. Excellent results were obtained by the use of a one-inch f/1.5 lens in conjunction with film of an ASA rating of 125, when taken at the normal speed of 16 frames per second.

Slow motion sequences of the operations were also found desirable, which required additional lighting because of the increase in camera speed. Several cycles of each operation were taken at normal speed and in slow motion, and a careful record was maintained of the details of camera position, time, date, operator, footage, and camera speed. Because of the additional lighting, the slow motion sequences were taken after all initial timing pictures had been completed and shown to the operators so that they had become familiar with the process of having pictures taken. It was also found desirable to cater to ordinary human vanity and to give plenty of advance notice of picture plans so as to allow the necessary priming.

The films of these operations were then placed on a projector and run through several times, with particular attention to the slow motion sequences, in order to establish the kind and sequence of motions required to perform the work. These motions were then recorded on a suitable time-study record sheet.

Time values for the motions and for the entire operation were then established by counting the number of pictures or "frames" from the start to the finish of the motions, and of the entire cycle as verification. Counting was facilitated by using a viewer with a large magnification.

Size Important

In this regard, the size of film and camera is important, since in order to get a large picture a fairly large film is required, and large pictures are almost essential to catch the precise starting and ending point of a small motion. In consequence, it is more desirable to use 16-millimeter film, rather than the more popular home movie 8-milli-

meter size, even though film cost is somewhat higher. Use of 16-millimeter film also offers the advantage of fitting the viewing equipment supplied with the check microfilming process in use in many banks.

As they were determined, the time values were noted on the time study sheet. Of course, this only gave a record of the observed work speed of one operator, which in that form could not properly be used as a standard. In consequence these times were leveled out to correspond with what could be expected of an average operator working at normal pace. This leveling in itself will still not supply a fair standard, for it is a known fact that people cannot maintain a constant speed throughout the day. They have interruptions. They become tired and slow down. They require a certain amount of time for certain personal needs. Therefore suitable allowances were added to the leveled time to account for the normal occurrence of these interferences.

The standards thus established were applied to the activity figures of the bank, making allowances for illness and vacations, thereby establishing the proper size of staff. The complete program of methods improvement resulted in a 20 percent reduction in direct operating cost. Since the program was made subsequent to the installation of job evaluation, it was thus possible to recover the entire cost of the evaluation including all salary adjustments, and leave a tidy profit within a very short time.

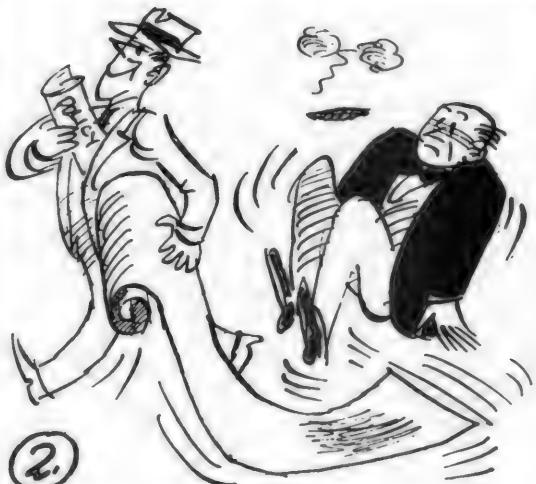
Use of the movies brought some extra dividends as well. Employee reaction was extremely good. After seeing themselves, several operators discovered their extra moves themselves, and took steps to learn the correct and easiest method. The pictures are now being edited and added to by the necessary titles and additional sequences so as to tell a complete story. They then will be available as training material for the bank, or for exhibition at schools and public functions as a public relations measure.

DON'T GET HOOKED...

BY



①
SALESMEN WHO ROLL OUT THE
CARPET FOR PROSPECTS



②
... AND LET YOU DOWN
ONCE YOU'RE SOLD



⑤
WE WORK HAND IN HAND WITH YOU TO HELP
UP PRODUCTION AND LOWER COSTS...

AMERICAN MUTUAL ...the first American liability insurance company

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REMEMBER: ALL AMERICAN MUTUAL POLICIES ARE NON-ASSESSABLE

Total Assets
\$102,454,932

Total Liabilities
\$83,731,064

Total Surplus
\$18,723,867

Total Claims
\$343,395,102

Total Dividends to Policyholders
\$133,929,022

Nearly 75% of all assets in U. S. Government, first grade industrial, railroad, public utility bonds and notes.





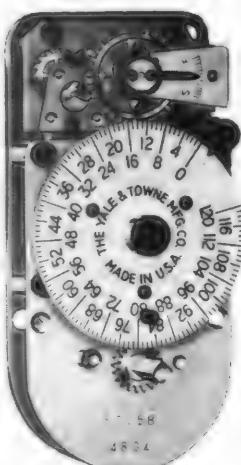
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There's no need to worry whether your vault's secure on weekends.

Just install YALE 120-Hour Time Lock Movements.

With 120-hour winding capacity, you're sure your depositors' funds are safe...and you're free to relax completely, even on three-day weekends, without coming in to reset the time lock.

Your peace of mind is well worth the ordering of YALE 120-Hour Time Lock Movements. We'll be happy to deliver and install them at once.



THE YALE & TOWNE
MANUFACTURING COMPANY.
Bank Lock Department
STAMFORD, CONN., U. S. A.



Deficits Rain or Shine

(CONTINUED FROM PAGE 34)

fact is that there is nothing in the record provided by history, nothing in sound theory or plain common sense, which justifies the chronic failure of the American Government to live within its means.

This failure has been called a more serious threat to American institutions than the cold war. The latter presents at least a visible foe. The consequences of defeat are easily imagined and the results properly feared. In the layman's mind any comparison between the cold war and a chronic deficit seems like a gross exaggeration.

No War, But Still a Deficit

The circumstances today are utterly different from what they were in the early Forties. The exigencies of a war place an understandable strain upon Government finance. It is a patriotic duty to pitch in and help in the defense of the country. No such patriotic pressure can be summoned at this time.

As the result of continued failure to live within its means, the lay population may refuse to absorb the added obligations created by this failure. The Government may then resort to the banks or to the printing press. It is not likely that the American Government will, in the first instance, use the printing press to pay its bills. Banking practice in this country, the result of a long evolutionary process, has created a deposit and checking system much more convenient than the use of paper money and one which is much better suited to avoid, initially, embarrassment to a state unable or unwilling to comply with the discipline of a balanced budget.

The use of checks effectively disguises an inflationary process and postpones the ultimate and inevitable acknowledgment of progressive bankruptcy.

As the debt of the Government grows and the supply of money increases, the value of that money necessarily reflects the facts. As in France and in every other country where the state has resorted increasingly to its own credit to meet its bills, the value of money declines.

Those Who Lose

The time may come when it is no longer possible to describe this process as a redistribution of income. It is subtle larceny on a massive scale under which those with fixed income lose and all obligations calling for money performance are undermined. To be sure, the pensioners and those living on accumulations of the past will suffer.

More serious in its implications is the effort which the Government thereupon makes to disguise the fact of deterioration and to transfer the responsibility to other shoulders. It is in this process that the Government imposes price and credit controls. The purpose of price control is to deny the logical and inevitable effect of an increase in the total supply of money which results from chronic government deficiteering.

For the business world this means fixed prices without regard to costs; it means reduction or elimination of profits and the denial of free markets; it leads finally to complete strangulation of the economy in controls.

(CONTINUED ON PAGE 108)

A FUND OF FAR EASTERN EXPERIENCE



*to aid trade
with Japan*



Both export and import trade with Japan are becoming increasingly important. To serve the needs of their customers engaged in this trade, Chase correspondents have at their disposal our facilities and services both in the United States and in Japan.

Fully staffed Chase branches, located in Tokyo and Osaka, the leading commercial centers of Japan, offer complete banking services. In New York, available for consultation, are Chase officers who have spent much of their lives in the Orient.

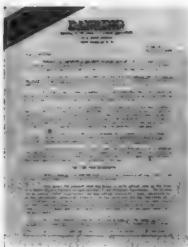
Many banks have found that Chase Commercial Letters of Credit are particularly helpful and valuable to their customers engaged in Far Eastern trade.

*The complete facilities of our Foreign Department
are always available to Chase correspondent banks.*

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OF THE CITY OF NEW YORK**

Head Office: Pine Street corner of Nassau

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(CONTINUED FROM PAGE 106)

allocations, closed markets, black markets, massive government propaganda to deny the facts, mounting dishonesty, and growing corruption.

To the banker this spells complete control of his operations by the Government. For the time comes rather early in this degenerative process in which the Government must find a certain parking place for its IOUs. Once the public has lost its faith in the fiscal integrity of the Government, buyers must be found who can be depended upon to absorb its obligations. These buyers necessarily must be the banks. It then follows that the state will create conditions under which the banks will be compelled to absorb that fraction of the Government's own securities which cannot be sold to the public.

To a degree, and in its early stages, this process can be induced by sugar-coating. Banks may be given certain incentives to buy and hold Government bonds. However, the time comes when honey cannot attract enough flies and it then becomes necessary for the Government to take out the club which has been reserved for precisely this occasion. This club, of course, is preceded by propaganda intended to convince the public that the banks are responsible for inflation. Thereupon all the credit practices of the banks, not merely those involved in loans on security collateral or consumer obligations, may become subject to Government control. Legal reserves may be raised and certain fractions may be kept in the form of Government securities.

Finally, when these inducements and pressures—all of which may retain the appearance of voluntary actions—prove insufficient, the Government moves in and takes over total control of the banking system. This is precisely what was attempted in Australia last year. It was only the good judgment of the voters which finally prevented the Australian Government from doing what its own lack of "orthodox finance" made necessary. When a government takes over a country's banks freedom vanishes.

The end of uncontrolled deficit financing, therefore, is dictatorship. The fact that it is self-induced and that it creeps upon us in slow and almost imperceptible stages does not make it any the less repugnant when it is finally consummated.

Contrary to some assumptions, the present Federal debt is not an impossible burden. It can be managed without credit controls that involve the freedom of the banking system. This does require a return to the concept of "prudent finance." It does call for a restoration of faith in the integrity of government and the soundness of its currency.

A modern cookbook needs plenty of blank pages for the telephone numbers of the delicatessens.

There's no cure for laziness in a man, but a wife and family help some.

In the old days a fool and his money were soon parted. Now the Government does it for everybody.

"Any way you look at it, your bank gains through modernization programs!"



Architects: Wedemeyer & Hecker, St. Louis, Mo.



• Taken together or separately, these facts are of vital interest to the progressive banker. The question

that remains is, "What are the best materials to use for this work?" The answer is, "Pittsburgh Glass and Pittco Store Front Metal." These materials are universally recognized as the leaders in modernization work. Bankers and merchants in all kinds of

When keen, ambitious, sound-risk "John Doe" comes to your bank for a loan to help finance his store modernization, that means valuable new business for you.

When you remodel an old property held by your bank, an increase in revenue usually results, your investment is better protected, present tenants are more inclined to renew their leases, many new occupants are attracted.



When you modernize your own building, your bank takes on a more inviting appearance, more people will be attracted, more new depositors enrolled. And your operations will gain in efficiency.

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and Interiors
by Pittsburgh**



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For full details on what Pittsburgh Products have accomplished—what they can do for you—simply fill in and return the coupon. There is no obligation on your part.

Are your customers doing business



Canadians are currently buying nearly two billion dollars worth of goods from the United States every year. Here, surely, is a market which some of your customers would like to know more about.

If you have customers who could use specific, practical information on markets, industrial sites, industrial development, or any other phase of Canadian business, write fully to: Foreign Department, The Bank of Nova Scotia, Toronto, Canada.

With over 350 branches in Canada and abroad, The Bank of Nova Scotia can give on-the-spot service right across the country.

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*Ask to be put on the mailing list for our
Monthly Review . . . a thoughtful discussion
of domestic and world-wide economic develop-
ments from a Canadian point of view.*

Washington

(CONTINUED FROM PAGE 46)

response to pressure from left-wing Senators, the FHA reduced the FHA rate to 4 1/4 percent from 4 1/2.

The President proposed in an Executive Reorganization plan that the secondary market be transferred from the relatively more conservative RFC to the Housing and Home Finance Agency. Certain Senators say they mean, if the transfer goes through, to add \$1-billion to secondary market funds.

At the same time, however, the Government began its first venture into direct GI lending.

POSTAL SAVINGS

The subcommittee of the House Committee on Post Office and Civil Service, holding a hearing on H. R. 6456 to give authority to the trustees of the Postal Savings System to lower the interest on Postal Savings, was urged to pass the bill by Arthur W. Sands, president of the Western State Bank, St. Paul, Minnesota, who testified on May 5. Mr. Sands, who is chairman of the Postal Savings System Subcommittee of the Committee on Federal Legislation of the American Bankers Association, not only urged the passage of the bill but also proposed that it be amended in such a way that the Postal Savings System would accept no new deposits after the close of business on June 30.

'51 DEFICIT PROSPECT

Last minute "economies" written into the single appropriation bill just before final House passage might be expected to prove of dubious value for several reasons in holding down appropriations, even if House proposals are retained by the Senate, which seems doubtful.

The Joint Committee on Internal Revenue Taxation forecast a reduction of \$1.2-billion below budget estimates for fiscal 1950 and of \$2.2-billion, even without a tax reduction bill, for fiscal 1951.

PLAN NO. 1

President Truman's Reorganization Plan No. 1, which would have ended the semi-independent status of the Office of the Comptroller of the Currency, was defeated in the Senate by a vote of 65 to 13. The A.B.A. testified against this Reorganization Plan on April 12.

SD-2

NATIONAL BANK OF DETROIT

DETROIT, MICHIGAN

Complete Banking and Trust Service

STATEMENT OF CONDITION, APRIL 24, 1950

RESOURCES

Cash on Hand and Due from Other Banks		\$ 284,375,773.54
United States Government Securities		688,475,935.84
Other Securities		105,341,727.11
Loans:		
Loans and Discounts	\$ 217,360,409.24	
Real Estate Mortgages	49,873,456.71	267,233,865.95
Accrued Income and Other Resources		5,621,560.09
Branch Buildings and Leasehold Improvements		2,134,268.94
Customers' Liability on Acceptances and		
Letters of Credit		1,469,760.48
		<u>\$1,354,652,891.95</u>

LIABILITIES

Deposits:		
Commercial, Bank and Savings	\$ 1,136,720,231.27	
United States Government	76,026,645.09	
Other Public Deposits	68,153,112.54	\$ 1,280,899,988.90
Accrued Expenses and Other Liabilities		6,164,862.56
Dividend Payable May 1, 1950		600,000.00
Acceptances and Letters of Credit		1,469,760.48
Reserves		3,847,357.80
Capital Funds:		
Common Stock	\$ 15,000,000.00	
Surplus	35,000,000.00	
Undivided Profits	11,670,922.21	61,670,922.21
		<u>\$1,354,652,891.95</u>

United States Government Securities carried at \$119,552,560.08 in the foregoing statement are pledged to secure public deposits, including deposits of \$38,809,974.30 of the Treasurer-State of Michigan, and for other purposes required by law.

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For SPEED... For SAFETY in cancelling checks

PERFORATE "You can't erase a hole"



Cummins 300 makes cancelling easy... split second action... minimum effort.

Cummins 250 Endorser Saves Time... Money!



It is easier for the operator to drop checks into the Cummins endorser than it would be to turn them over... one complete handling of checks is eliminated.

CUMMINS 300 CANCELLER is preferred by thousands of banks because it permits each book-keeper to cancel her own checks as soon as she has finished posting them. (It can be done in just 2 or 3 minutes.) This is so much safer and efficient than allowing checks to remain uncancelled for several hours or overnight. Designed for desk use... but with the capacity of machines 10 times its size and weight... and twice its cost! No skipped checks! Speedier... Safer!

Banks and business houses of all sizes daily demonstrate that the Cummins 250 Endorser carries the load more conveniently—more economically—whether they are discarding a rubber stamp or replacing a battery of less efficient endorsers.

Here are some of the reasons—
FAST—Automatically prints dated endorsements on checks of mixed sizes up to 160 per minute, or as fast as it is possible to feed them.

POSITIVE STACKING—All checks stacked in exact sequence—no dependence on momentum or gravity—each check under control until it is stacked in the hopper.

EASY TO OPERATE—Requires no special experience—anyone can operate it.

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Ups and Downs

(CONTINUED FROM PAGE 23)

choice must be made: the corresponding dates may be put one above another, or the days of a given year may be shown one day ahead of the previous year so that the corresponding days of the week are above one another. For example: if one should want the last Wednesday in March of 1950 to fall above the last Wednesday in March of 1949, it would be necessary to plot March 29, 1950, in the same space as March 30, 1949. There is no general rule to tell which practice is preferable; only an examination of the figures will disclose this fact.

A less dramatic illustration is that of areas where some special event may bring an unusual volume of funds to an area or drain funds extraordinarily.

Sometimes the annual seasonal pattern will show there are two peaks, and therefore two low points in each year. This is a rather complex problem. It must be admitted that the charting technique does not handle this as well as the standard statistical techniques. But if both peaks and lows coincide reasonably well, then the charting plan will tell the story.

The fact that one item of a bank's statement shows seasonal influences may be related to other seasonal series within that bank. For example, a seasonal low in deposits may be coincident with the seasonal high in current loans. And what is more natural? Customers borrow when they need funds and they need funds when they have drawn their balances to what they (and the bank) feel to be a reasonable minimum. The full statistically derived seasonal variation for the illustrative bank used throughout this account shows such a coincidence.

The commonest use of seasonal measurements is in liquidity management. In general, hard experience has led most banks to keep an adequate degree of liquidity. But lacking reliable measures of liquidity needs, the provision for it has often been excessive. That is the "conservative" thing to do. The more a bank knows about the exact nature of demands on it, the more can be done to meet these needs without unnecessary sacrifice of earnings.

World Business

(CONTINUED FROM PAGE 60)

from Western Europe." Some day, maybe, Mr. Hoffman will have to discuss as well Japan's capacity to compete. The Army, yielding to domestic pressure, has decided to cut down on the intended use of Japanese cement in Alaska fortifications, despite the fact that the Japs can hurdle the "Buy American" clause with ease.

"NO, THANK YOU!"

From the *Congressional Record* we glean the following bit of light on the trend of thinking about ERP and imports. Senator Smith (R., Maine) put in the record a letter which the ECA's technical assistance division wrote to a Maine textile firm on behalf of a European "textile team" invited to tour America and absorb know-how. ECA wanted to route the team through the Maine firm's plant. The manufacturer's reply to ECA reads in part: "... Textile exports are constantly being curtailed by quotas, embargoes, tariffs and exchange. Japanese goods are already beginning to come into the United States at prices about one-third of ours. ... Everyone in Washington appears to believe that we must import more. ... Your letter requesting co-operation in bringing about our own funeral is the first opportunity our company has had to say anything or do anything about our own textile fate. Our answer is a most emphatic 'No!'"

PLENTY OF STUDYING

Import expansion is getting plenty of studying nowadays, as the "end" of ERP approaches. Not much has yet been learned of how presidential apologist Gordon Gray, former Secretary of the Army, is going about his task of laying the groundwork for whatever takes ERP's place in 1952. He is studying the matter. Two private study groups, the Twentieth Century Fund and the National Planning Association, announce that they will jointly explore the effects of imports on America's economic digestive system. First step will be to send the project director, Professor Calvin B. Hoover, to Europe during his summer vacation, to do what we thought the ECA-Commerce mission under Wayne C. Taylor was sup-

posed to have done last year. . . . The NAM reports it is holding a series of meetings about the country to study foreign trade. At Philadelphia its national vice-president, Curtis E. Calder, in effect endorsed what Paul Hoffman has been saying on the subject of imports. We "must" increase our imports.

FOREIGN SELLING EFFORTS HERE

Although most European businessmen are not convinced that American countenancing of increased imports can be counted upon, they are in many instances making efforts to sell more here. And America is helping them. A major example is the coming trade fair at Chicago. In Philadelphia a large department store has cooperated in sponsoring a Dutch trade fair. In New York a group of U. S. businessmen will, in September, open sales and operating headquarters for more than 1,000 foreign products under the name, Permanent Exhibitions for International Trade, Inc. Argentina is contemplating a U. S. trade center to display Argentine goods, take orders and guarantee quality. Six Commerce Department officials were sent to the British Industries Fair to help the dollar exports drive there. ECA has sent four more trade pushers to Europe to help with sales to America. France, its commercial counselor states, is striving to double its sales here. Apparently the possibility that ECA may indeed end has made an impression in Europe.

RECIPE FOR RELIEF

Paul Hoffman has said that, if a particular industry is injured by imports, it should be given public help.

Now comes the general manager of Andover-Gaunt Textiles, Inc., with a recipe for relief. Subsidies are nothing new in America, he states. So let the Government indemnify owners and stockholders of "concerns which have been shutting down or which have permanently gone out of business due to the tariff lowering already established under the Reciprocal Trade Act." Beginning with January 1, 1949, he adds, all woolen-worsted cloth manufacturers should be indemnified for all shrinkage in production as compared with 1946 and the indemnification should go on as long as production stays below the 1946 rate. Workers and white-collar employees should also be indemnified with a year's back pay under this novel proposal.

CUSTOMS REFORM

A widely hailed step was the completion by the Government of a bill sent to Congress on April 28 and known as the Customs Simplification Act of 1950. It is hoped that the lateness with which this was submitted to an election-bent Congress will not require changing the date in the title. In part, at least, the bill will take care of criticisms made by the British and Canadians in last year's tripartite talks. The latter, incidentally, could themselves do with a little customs simplification. The drafting of the new bill was delayed, one hears, because the Tariff Commission was not consulted early enough. A draft measure, unworkable in many respects, was first drafted without the Commission's help. Its revision entailed a delay. Space limitations prevent description of the pending measure, whose passage will make importing easier.

This young lady, in a Frankfurt office, is holding up one of the 1,723 German entries in a contest for the best propaganda poster for the European Recovery Program



WIDE WORLD
113

Time to Stand Up and Be Counted

IT is high time that the citizens of this nation take a look at the state of the Union, and, as free men with powers, duties, and responsibilities as citizens, chart a course for the days and years that lie ahead, James E. Shelton, vice-president of the American Bankers Association, told the recent convention of the Kansas Bankers Association. Mr. Shelton is president of the Security First National Bank of Los Angeles, California.

"Our forefathers left their homes in Europe to make homes for themselves on a new continent because they wanted the political, religious, and economic freedom which they could not enjoy under the governments and economic systems of the countries from which they came. When European government attempted to follow them and threatened to destroy their rights and liberties, they threw off the yoke of that government."

Mr. Shelton said that under the guaranties of the Constitution, the American people developed a productive capacity and secured a standard of living never before dreamed of in the history of the old world.

"Now we here in the United States are threatened with a loss of our American way of life. These threats come from two sources—from without and from within. The first comes from Russia with the effort of communism to overrun the world by force. Serious as this threat is and much as we must prepare successfully to resist it, to my mind the greater danger to us as individuals and as a nation lies in the threat from within. That threat is 'creeping collectivism,' 'socialism by default,' or 'the welfare state.'

"Almost two decades ago, during a period of severe economic depression when the minds of many people were confused by doubts and harassed by fears, a political appeal was made by those then in political control of our Government, based upon an entirely different concept of the relationship of the people to their government. This concept was contrary to our American traditions and instincts. The essence of it was that if the American people, for the emergency, would become the wards rather than the masters of their

Government, the Government would do their economic thinking and planning for them; make and enforce the rules of their economic life; and, as an all-wise father, supply their wants and take away their fears. It is startling to take stock today and see how far these Pied Pipers have led the American people down the road to ultimate economic and political enslavement.

"It is your job and mine and that of every other American who has a stake in this country to do his part to make this issue clear to the

people of this country. We must not allow creeping collectivism to come stealthily in by the back door. We must see that the people of this country are not unwittingly drawn into the whirlpool of socialism.

"Here in America today on many fronts and in many ways, the roll of the manhood of this country on this subject is being called. If we believe in American ideals, if we have the instincts, the character, and the hardihood of American pioneers, we will defend those ideals whenever they are put in jeopardy, whenever the time, wherever the place, and whatever the manner. The time has come for us to stand up and be counted."

Some Provisions of 1950 Housing Act

THE Housing Act of 1950 ("middle income" housing) recently signed by President Truman adds more than \$3.5-billion to the present responsibility of the United States Government in the field of mortgage credit, said Thomas L. Nims, assistant secretary, Savings and Mortgage Division of the American Bankers Association, in releasing an analysis of the principal provisions of the bill.

"Another \$2-billion of Government responsibility would have been added to the present burden if the cooperative housing feature had not been stricken from the bill when the final vote was taken in Congress," he said.

The principal provisions of the bill, as outlined by Mr. Nims, are:

(1) Title I FHA for repairs and modernization of property is again extended—this time for a period of five years—and is retroactive to March 1, 1950.

(2) \$250-million is appropriated for new low-cost housing in outlying areas, where regular FHA loans are not now permitted. Loans up to \$5,600 may be insured for 95 percent of the value under Title I.

(3) An increased authorization of \$2 1/4-billion for regular FHA loans under Title II. It provides for more liberal terms for loans under this title. Ninety-five percent loans for a total of \$9,450 are now permitted on homes with four bedrooms.

(4) It increases the guaranty of VA loans from the present \$4,000

to \$7,500, or 60 percent of the appraised value, and extends the maturity to 30 years.

(5) Direct Government loans totaling \$300-million are authorized at a rate of interest estimated at approximately 2 1/2 percent for 40 years, for housing students and faculty of educational institutions.

(6) Secondary mortgage markets for FHA and VA are continued, with an additional appropriation of \$250-million for FNMA.

(7) \$150-million direct Federal mortgage loans to GIs are provided if they are unable to obtain loans from private sources at 4 percent.

(8) Elimination of 505 (a) veterans loans in combination with FHA by not later than December 31, 1950. (Veterans Administration has announced that these loans will be terminated as of October 20, 1950.)

"Some of these provisions," said Mr. Nims, "have special significance to all who participate in mortgage lending. Perhaps the most outstanding is the one which permits *direct Federal loans* to veterans if they are unable to obtain them at 4 percent interest from private sources.

"This is the 'direct' lending legislation that has been a serious threat for many months. Fortunately it has been considerably modified from earlier proposals, perhaps due in part to the opposition expressed by the A.B.A., the United States Chamber of Commerce, the life insurance companies, and other mortgage lending groups."

A Bank's Work-College Plan

THE United States National Bank of Portland, Oregon, has embarked upon a "work-college" plan combining college training and employment in the bank. Details of the six-year program, which will lead to college graduation and a career in banking, have been announced by President E. C. Sammons.

On graduation from college and completion of the "in-training" phase of the program, the student will be guaranteed regular employment in the bank at a salary of not less than \$3,000 per year, Mr. Sammons said. The position will depend upon the individual's interests and capabilities and the needs of the bank at the time.

The student will work in the bank for one year and then attend college the following year. This procedure will continue until the student is graduated. The plan contemplates college attendance during fall, winter and spring terms and summer sessions. The average student will be able to complete the program within six years, or when he is approximately 24 years of age.

Young men participating will begin working in the bank immediately following high school graduation. Starting salary will be \$140 per month with increases of \$10 per month at the end of the third and sixth months. Thereafter, salary increases will be keyed to efficiency and responsibilities, increasing each year until the participant is receiving \$250 per month upon completion of the program.

Each student will be expected to save \$100 per month which will be deposited in a special savings account for use during his college career. At the start of the program it will be necessary, in order to do this, for the student to live at home and not pay board. Students will attend either Oregon State College or the University of Oregon, and the United States National will pay the tuition fee in the form of a scholarship. Money saved by the student while working full-time will be used to cover cost of clothing, books, board and room and incidentals during college.

Since there will be no need for the student to work while on the campus,

he will be expected to maintain a high scholastic average. Students will also be encouraged to participate in athletics and other activities.

Although no rigid restrictions will be imposed upon the course of study, Mr. Sammons pointed out that participants will be expected to major in business administration or economics. However, they will be given wide latitude in choosing electives.

By carefully selecting students, it is expected that young men who complete the program should be able to advance rapidly within the bank. Although there will be no binding contract so far as the bank or the student is concerned, it is believed that students will want to continue a banking career with the United States National upon completion of the program.

Enrolment in the program will be limited to a single participant from any one high school. Principals and counselors will be asked to recommend five candidates. Interviews will be arranged with a representative of the bank and a series of tests will be given each applicant.

Final selection will be on the basis of scholastic achievement, industry,

character, leadership, desire for college education and, where other facts are equal, the need for financial assistance.

Young men who qualify for tentative participation will be employed by the bank on a part-time basis while still in high school. This period which will be part training and part work, will give the student an opportunity to get acquainted with the field of banking. Working hours will be arranged to suit the student, the school, and the bank. During this time, the student will be paid 75 cents per hour.

At present, the program will be limited to the Portland high schools. It is anticipated that later the plan will be expanded to include high schools in all cities in which the United States National has branches.

The office of the Superintendent of Schools in Portland expressed great enthusiasm for the plan, considering it the best program of its kind yet presented. As soon as the program was approved by school officials, members of the United States National's personnel department visited the schools and outlined the plan to principals and counselors.

Savings Bonds Industrial Committee

SECRETARY of the Treasury Snyder has announced that Martin W. Clement, chairman of the board of the Pennsylvania Railroad, has accepted the chairmanship of the Treasury's Industrial Advisory Committee on Savings Bonds.

This committee, composed of many of the Nation's leading industrialists, acts as counsel to the Treasury Department in promoting the sale of U. S. Savings Bonds to industry.

In accepting the post, Mr. Clement said: "This Treasury's Independence Savings Bonds Drive is predicated on the idea that thrift is the foundation of financial independence. All of us on the Pennsylvania Railroad are familiar with the Payroll Savings Plan and over half of us save regularly this easy way.

"The Savings Bonds program is one of the most successful continuing thrift programs the Nation has

ever known. It has the hearty approval of both labor and management at all levels. I consider the Independence Drive slogan, 'Save For Your Independence; Buy U. S. Savings Bonds' one that we can heed profitably."

The committee, meeting in Washington, was addressed by Secretary Snyder and by E.C.A. Administrator Paul Hoffman. Leon J. Markham, Director of Sales, U. S. Savings Bonds Division, gave details regarding the Independence Drive, which was launched at Independence Hall, Philadelphia, on May 15, and will continue through July 4.

Summarizing action by the Committee, Mr. Clement outlined these objectives: that each committee member arrange for a Payroll Savings promotion in his own company, and that in this connection he seek the assistance of the major trade association in his industry.

BANQUE DE LA SOCIETE GENERALE DE BELGIQUE

Société Anonyme

3, Montagne du Parc, Brussels, Belgium
THE LEADING BELGIAN BANK WITH

128 YEARS OF EXPERIENCE

STATEMENT OF CONDITION

as per December 31st, 1949

Liabilities

		Current liabilities:
Preferential or secured creditors:		Belg. Fr. (1)
National Bank		18,592,965,13
Other creditors		18,592,965,13
Banks		707,782,428,93
Branches and Banking Affiliates		269,603,199,28
Acceptances		1,231,248,208,83
Other short term liabilities		295,814,664,94
Creditors for Bills received for collection		596,807,856,24
Deposits and current accounts:		
a) at sight and at up to one month's notice	17,873,483,004,48	
b) at more than one month's notice	2,221,925,859,90	
Amounts callable on subscribed shares and participations	20,095,408,864,38	
Sundry liabilities	323,414,220,--	
	275,805,909,45	
		23,814,478,317,18
		Capital and reserves:
Capital	500,000,000,--	
Legal reserve	50,000,000,--	
Available reserve	502,478,644,31	
Reserve derived from revaluation of Securities Portfolio	172,521,355,69	
		1,225,000,000,--
		Balance of Profit and Loss Account:
Balance brought forward from 1948	29,351,337,09	
Profit in 1949	145,489,120,15	
		174,840,457,24
		<u>25,214,318,774,42</u>

Assets

		Current assets:
Cash, National Bank, Postal-cheque account		Belg. Fr. (1)
Call Money	938,506,610,48	
Due from Banks	425,000,000,--	
Branches and Banking Affiliates	482,901,173,86	
Other short term assets	440,738,373,39	
Bills:		
a) Trade bills	2,855,684,458,98	
b) Treasury bills rediscountable with the National Bank	2,550,000,000,--	
c) Treasury Bills negotiable with the National Bank up to 95%	8,299,600,000,--	
Loans and advances against securities	13,705,284,458,98	
Customers' acceptances liability	182,255,748,50	
Accounts receivable	1,231,248,208,83	
Securities:		
a) Legal reserve	50,000,000,--	
b) Belgian Government securities	2,434,081,632,05	
c) Foreign Governments securities	5,233,501,--	
d) Bank shares	476,815,826,--	
e) Other securities	224,871,368,--	
Sundry assets	3,191,002,327,05	
	34,459,612,42	25,104,318,772,42
		Fixed Assets:
Bank premises	110,000,000,--	
Investments in real estate subsidiaries	1,--	
Due from real estate subsidiaries	1,--	
		<u>110,000,002,--</u>
		<u>25,214,318,774,42</u>

Contingent Accounts

Assets pledged as collateral:	
for own account, to the National Bank (unused line of credit)	2,110,000,000,--
for account of others	12,769,008,--
Securities pledged as guarantee for own account	2,122,769,008,--
Guarantees received	15,750,000,--
Guarantees given for account of others	7,642,930,856,09
Bills rediscounted	2,754,494,776,07
Forward exchange transactions	844,766,919,81
Securities held in safe custody	486,203,089,90
Monetary Reform Loan (law of 14.10.1945, Art. 1):	48,347,340,184,48
a) in name of private holders	9,049,222,599,65
b) in name of tax-collectors	837,579,457,08
Sundry accounts	9,886,802,056,73
Approved by the Board of Directors, February 28, 1950.	2,722,428,754,29

15 = 50 Belgian francs

Verified by the Auditors.

Fifty Years, 31,000 Graduates

(CONTINUED FROM PAGE 41)

Institute at work. It is and always has been unique. As the then educational director also said in that Detroit talk, it is "a democracy in education." Its administration is in the hands of laymen. Many of its faculty members are laymen. Its educational program is prepared by those who, although educated, are not professional educators. It produces its own textbooks and teaching materials, and permits the chapters to develop and offer additional courses which meet local needs. Furthermore, the Institute is a voluntary association of the people whom its program benefits.

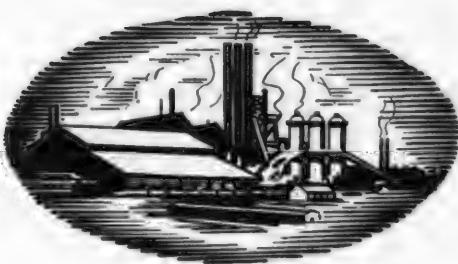
From the beginning the program has reached the membership through three major channels: local chapters, chartered by the Institute, which provide facilities for the national study courses and conduct such educational activities as debates, forums and seminars; the national A.I.B. magazine, the *Bulletin*; and the correspondence instruction.

III.

THE curriculum offered by the American Institute of Bank Clerks when it began to function early in 1901 was a sort of educational department store, with something for everybody. The 16 courses, ranging from penmanship to political economy, were drafted by the Institute's founders after long consultations with bankers and educators. Recommendations and suggestions had been varied. One prominent New York banker thought the A.I.B. should teach French, on the theory that the language of diplomacy would provide the polish that would help bank employees wait on the lady customers. Other advisers insisted that under the guise of a course of study the young organization should furnish "office systems" similar to those sold by stationers and manufacturers of blank books.

But the framers of the program were practical men who declined to be diverted from fundamentals. The courses they decided on were earthy and unfrilled: penmanship, spelling, English grammar, composition and rhetoric, business correspondence,

(CONTINUED ON PAGE 118)



1900 ★ THE MIRACLE OF AMERICA ★ 1950

Freedom and Progress

It's no stretch of the imagination, rather, robust realism to call our past half century a Miracle—U.S.A.

America has set an amazing record of progress in 50 years—but a moment in the history of civilization. A record unequalled by any other political or economic system.

Merely by broad brush strokes, we can all visualize this miracle. Remember the crystal set, the hand-cranked car, the biplane? A far cry from our FM radio, television, hydro-matic drive and supersonic planes.

And here's another phase of the miracle that went hand-in-hand with these and the myriad of intertwined technological advances—ranging from the radio telephone and Bakelite to the X-ray tube and teletype . . . and to atomic energy and its untold potentialities.

- ★ Since 1900 we have increased our supply of machine power 4½ times.
- ★ Since 1900 we have more than doubled the output each of us produces for every hour we work.
- ★ Since 1900 we have increased our annual income from less than \$2400 per household to about \$4000 (in dollars of the same purchasing power), yet . . .
- ★ Since 1900 we have cut 18 hours from our average work week—equivalent to two present average workdays.

How did we do it? The basic cause for this composite miracle has been the release of human energy through FREEDOM, COMPETITION and OPPORTUNITY. And one of the most important results is the fact that more people are able to enjoy the products of this free energy than in any other system the world has ever known.

THIS IS THE MIRACLE OF AMERICA . . . it's only beginning to unfold.



THE EYES HAVE IT

Electric eyes, we mean . . . and what they have and are welcome to keep . . . is the laborious job of counting checks. Those little pocket checks bound in fillers or books which you buy have to be counted, you know, and this used to be a manual operation which at best was costly and time consuming.

Now, as we perforate the sheets of checks, they pass over an electric eye and each sheet, as it breaks the light beam, creates an impulse which is registered in the electronic control box and, simultaneously with each twenty-fifth such impulse, a fly sheet is automatically fed into the jogger, thus providing accurate separations for the young woman who does the stitching.

We can throw a fly sheet in wherever we want and make the separation from a 1 to 1 ratio to a 1 to 400 ratio . . . so no more hand counting for us. This fly sheet we speak of not only eliminates counting and keeps the last check nice and clean, but it also provides space to advertise Personalized Checks, thus reducing the "give away" check expense of banks. So the machine saves money not only for us but for our customers. Quite a gadget!

Of course, we would not be successfully employing electric eyes in our business if we did not employ people with eyes that could recognize the significance of such technological development. Whether they are human or electric, it is the "eyes that see" that keep us abreast of the times.



Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

COLOMBIA

Presents Extensive Opportunities

Colombia, among the leading countries of South America in trade with the United States, will offer increasing opportunities in the years ahead for travel, export and import trade, and development of new or expansion of existing local industries.

Increasing numbers of forward-looking banks and business organizations in the United States are establishing correspondent relations in Latin America, notably with Colombia. Many of them are taking advantage of the exceptional and complete banking facilities provided by this 37-year-old institution.

With 23 offices in all commercially important parts of the country, trade information is quickly gathered and forwarded to you. Special departments for handling collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices—Bancoquia

Capital paid-up: \$10,000,000. — Pesos Colombian

Reserves: \$10,300,000. — Pesos Colombian

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia, Barrancabermeja, Barranquilla, BOGOTÁ, Bucaramanga, Cali, Cartagena, Cartago, Cucuta, Girardot, Magangué, Manizales, Montería, Neiva, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez.

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

(CONTINUED FROM PAGE 116)
shorthand, typewriting, commercial geography, financial and commercial history, bank arithmetic, double entry bookkeeping, bank bookkeeping, practical banking, commercial law, government, and practical finance.

Remember that banking in 1901 was a man's world; women comprised a minute minority of bank staffs, even in the stenographic and secretarial positions. As one Institute veteran, looking back to the old days, put it: "A female clerk was a rarity."

Few male employees had more than a grammar school education. True, some had taken courses in the private commercial schools that were endeavoring to meet the demands of the time, but this instruction was largely limited to such subjects as penmanship, shorthand, typewriting, and bookkeeping. These were useful tools for the bank clerk, but they did not expand his knowledge or prepare him for the better jobs. Furthermore, many bank people had to consider the cost, and were financially unable to expand their educational equipment. So one of the immediate problems confronting the board of trustees that constituted the Institute's first governing body was to supply the deficiencies that prevented the average clerk from holding more than a routine position.

The organizers realized that the chief instrument of instruction must be the Correspondence School of Banking. Facilities offered by the chapters would be adequate for members living in cities, but the major part of the membership lived in smaller communities which could not support a chapter. The Institute, therefore, relied rather heavily on the postman.

THE first prospectus of the American Institute of Bank Clerks was a model of salesmanship. One hundred thousand copies of this eight-page folder, printed in green ink on cream paper, were sent to bank cashiers in the spring of 1901 for distribution to employees. Its full particulars about the Institute included an alluring description of the educational opportunities the A.I.B. was offering.

"The courses," it said, "are so graded as to meet the requirements of all, from the clerk who needs help in penmanship, spelling and grammar, up to those who are in

position to take up commercial law and finance." The fees were likewise graded; no student had to pay for what he didn't get or didn't want. Furthermore, the charges were fixed upon "an unprecedentedly low scale" and were within the reach of all. They ranged from \$4 to \$20. If a student couldn't pay in advance he could pay as he studied. And:

"Time is unlimited in all the courses. One clerk may occupy three months in a given course, and another a year on the same work. The cost is the same to both. Certificates will be issued, not on the basis of time spent in study, but in the light of the actual advancement made. A student may be entered for more than one course at the same time."

THE faculty included "educators and financiers of established reputation and acknowledged ability." There were "professors of banking and finance, bank practice, theoretical accounting, commercial law, mathematics, English literature, political economy, history, rhetoric, double entry bookkeeping, geography and English grammar, shorthand, typewriting and penmanship."

"Banking," the prospectus asserted, "is a complex subject. The practical equipment of a banker comprises everything there is in an ordinary education, and in addition various matters that are special to his requirements." Therefore the Correspondence School of Banking was organized "in a broad and comprehensive way, but wholly along practical lines," and was "adapted to supply whatever the individual may demand." At the outset the courses would embody lessons, examinations and certificates of improvement and proficiency.

"Fill 'er up!"



June 1950

Penmanship, for instance, included: "Directions for self-instruction, methods of practice, materials, positions, principles of letter formation, small letters, capital letters, graded lessons." And Bank Management covered this territory: "General accounts, statements of condition, the profit and loss statement, individual ledgers, balance books, deposit tickets, checks, certificates of deposit, receiving teller, paying teller, runner or messenger, clearinghouse items, collection department, loan department, stocks and bonds, foreign exchange."

Those availing themselves of the A.I.B. program were divided into three general classes:

"Associates—meaning those who are members of local chapters.

"Students — meaning those who are taking one or more of the correspondence courses of study.

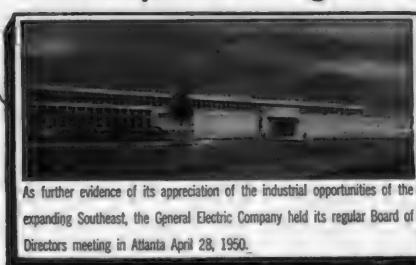
"Subscribers—meaning those who are subscribers to the *Bulletin* of the American Institute of Bank Clerks."

Associates and students were "required to be of good moral character (the Institute constitution so specifies).

(CONTINUED ON PAGE 122)

ATLANTA'S EXPANDING, SUH!

... and Georgia shows a correspondent growth!!!



As further evidence of its appreciation of the industrial opportunities of the expanding Southeast, the General Electric Company held its regular Board of Directors meeting in Atlanta April 28, 1950.

The rapid expansion of Atlanta and the southeast requires up-to-the-minute information. To get ALL the facts, in addition to prompt and dependable counsel upon which decisions can

be made, use the "Friendly Fulton." Regional information is readily available through our dependable correspondent bank contacts. Let us help you.

DEPENDABLE



COOPERATIVE

NEW... A PAYMENT COUPON BOOK

which reproduces

Perforations as Legible as Printing

- More error-free postings per hour. Less eye-strain per day.
- Perfect identification of mail payments. Faster personal service.
- More exact payments. Less follow-up costs and annoyances.
- Applicable to any account set-up. No supply problem. Less costs.

5/16" figures so outstanding that they are easily read at 14 feet.



Many of the best known Banking Names in the Time Credit Field have adopted this ultra-modern Payment Book on sight.

Only by seeing this new book can you appreciate its legibility, flexibility and waste-reducing features. We invite you to write for an assortment of samples, perforated with amounts, dates and account classifications. No cost. No obligation. Write today.

ALLISON COUPON COMPANY, INC.
INDIANAPOLIS 6, INDIANA

Ahead on every point of comparison!

BURROUGHS MICROFILMING BELONGS IN YOUR BANK!

Burroughs offers you the finest in microfilming equipment, precision-built by Bell & Howell, an acknowledged leader in the manufacture of fine photographic equipment.

BUY BURROUGHS!

Any microfilming is fast—but Burroughs offers you outstanding speed! Up to 400 check-size documents photographed per minute with automatic feed . . . up to 100 with hand feed.

BUY BURROUGHS!

Never any doubt about the readability of the entire original document when it is on Burroughs microfilm. Here is contrast and brilliance of film image at its best.

BUY BURROUGHS!

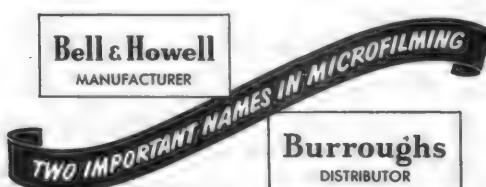
One investment, and you have all the benefits of the finest microfilming permanently—with out the nuisance of continuing lease payments.

BUY BURROUGHS!

You obtain the economy of 8mm. photography on 16mm. film, *plus* the economy of a 37-1 reduction ratio—the greatest in high-speed microfilming! More documents per foot of film means less outlay for film.

BUY BURROUGHS!

Burroughs brings you the benefits of sixty years' experience in mechanizing figuring and recording procedures . . . plus equipment built to uncompromising standards of quality by Bell & Howell. You know your equipment is *built right* . . . you know it's *applied right* for your methods. You know, too, that Burroughs world-famous mechanical service organization will keep it *operating right*—all the time.



Compare Burroughs microfilming in action . . . see for yourself how it delivers more of everything that matters in microfilming. Call your local Burroughs office for a demonstration today.



The high speed automatic feeder is a marvel of simplicity and ingenuity. Loading is easy, operation is positive. Accommodates checks, ledgers, and other documents up to 9½" wide.

**22 BURROUGHS PROCESSING CENTERS
... FROM COAST TO COAST**

Atlanta Kansas City
Boston Los Angeles
Buffalo Minneapolis
Chicago New Orleans
Cincinnati New York City
Cleveland Philadelphia
Dallas Pittsburgh
Denver Portland, Oregon
Detroit St. Louis
Houston San Francisco
Seattle Washington, D. C.



Skilled mechanical service,
on your premises, from 583
Burroughs service centers.



The reader shows clear images enlarged to actual size of the original document or, in some cases, larger. Facsimiles can be made in a few minutes. All controls can be operated from a sitting position.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



Strengthen Your Doubtful Risks With Lawrence Receipts

JUDGED by its prevailing risk criterion, a bank's portfolio contains many loans on open account which may well be placed on a secured basis.

Lawrence warehouse receipts, issued on the borrower's inventory, will protect the lender with fundamentally sound collateral.

New "Small Business" Department now extends Lawrence service to inventories valued as low as \$5,000.

Lawrence warehouse receipts are supported by the strongest financial statement in the field warehouse industry. Lawrence has always discharged, in full, its liability to all holders of Lawrence Warehouse receipts.

Lending institutions have profited with Lawrence field warehousing in dealing with more than 20,000 business firms, over a period of 35 years.

Booklet Gives Field Warehouse Facts



Tells how Lawrence field warehousing makes secured credit possible for accounts in your portfolio. Write for free copy, "Borrowing on Inventory."

LAWRENCE WAREHOUSE COMPANY

Nationwide Field Warehousing DIVISION OFFICES:

SAN FRANCISCO 11, CALIF. NEW YORK 5, N.Y.
37 Drumm St. 72 Wall St.

CHICAGO 2, ILL.
100 N. La Salle St.

Los Angeles • Boston • Philadelphia • Pittsburgh
Buffalo • Cleveland • Cincinnati • Kansas City
St. Louis • Atlanta • Des Moines • Charlotte
New Orleans • Houston • Dallas • Denver • Phoenix
Portland • Seattle • Spokane • Stockton • Fresno
Washington, D.C. • Manila, P.I.

(CONTINUED FROM PAGE 119)
fied), and directly or indirectly connected with banking institutions." They also had to be subscribers to the *Bulletin* "because it contributes in a very important degree to the work upon which they engage."

The student's fitness to take a course would be determined by a preliminary examination; if this test disclosed "the need of work more elementary in character as a foundation" he would be "officially advised on the fact," but there would be "no compulsion."

A certificate of proficiency would be issued only when the student's final examination had shown he was "fairly entitled" to that symbol of diligence and ability. Those who failed would be urged to repeat the course. Prospective flunkers, however, were assured that the time was unlimited for another try and that there was "no extra charge for review."

Accompanying the prospectus was a letter offering introductory cut-rate prices—a "discount of 50 percent to all bank employees who register and pay prior to July 1, 1901."

Also enclosed was an application form. The applicant was asked to pledge himself "to an amount of study equal to at least . . . hours per week." He had to fill out a short personal history, giving his educational background and the courses he wanted to take. Across the face of the blank was printed, in large outline letters, "Introductory Rates."

The *Bulletin* was indispensable to Correspondence School students. It published all the examination questions for the various courses, instructions and advice to students, valuable material supplementing the lessons, and inspirational articles directed particularly to men who, after a lapse of years, had again taken up their books.

AND that was the American Institute of Banking at the beginning. It has not varied greatly from the original pattern, except to make the adjustments required by changing times. Some of those adjustments, aimed at sharpening the focus, came at an early date; other changes, including the establishment of graduate courses and ultimately the formation of The Graduate School of Banking by the A.B.A., evolved from the experience of the A.I.B.'s earlier years.



For that "all-in" feeling, munch a piece of energy—a tasty, chocolate-like KEVETTS.

KEVETTS contain—deep sea kelp, soy bean, dextrase, wheat germ, malt, brewer's yeast, magnesium stearate. W-H-Y. KEVETTS are enriched with iron, calcium, phosphorus, iodine.

KEVETTS help promote stronger nerve-tone and added vitality, that keeps you on your toes all day long.

For those "four o'clock blues" munch a piece of energy—and finish the day with plenty of pep to spare.

Insist on KEVETTS at your food or drug store. Accept no substitute. There is none.

KEVO PRODUCTS CO.

B-3, AZUSA,
CALIFORNIA



We specialize in forwarding of funds abroad for our banking friends with or without Foreign Departments. Our remittance services include commercial, benevolent and living expense payments abroad by cable, mail or airmail.

Experience developed over the years, and close friendly relationships with worldwide correspondent banks are available to assist domestic banks to establish or extend their own remittance service. We welcome your inquiries.

The Public National BANK AND TRUST COMPANY OF NEW YORK

Main Office: 37 Broad Street

Member: Federal Reserve System
New York Clearing House
Association, Federal Deposit
Insurance Corporation

Main Street

(CONTINUED FROM PAGE 30)



W. H. Hitzelberger



F. C. Cole

W. H. HITZELBERGER, Dallas businessman and civic leader, has been made a vice-president of the Republic National Bank of that city. As executive vice-president and general manager of the Texas state fair, Mr. HITZELBERGER took over active management of the fair after the war and remains a director.

FRANK C. COLE, assistant cashier of the American National Bank and Trust Company, Chicago, was selected for the presidency of the proposed new Park National Bank of Chicago by the organization committee.

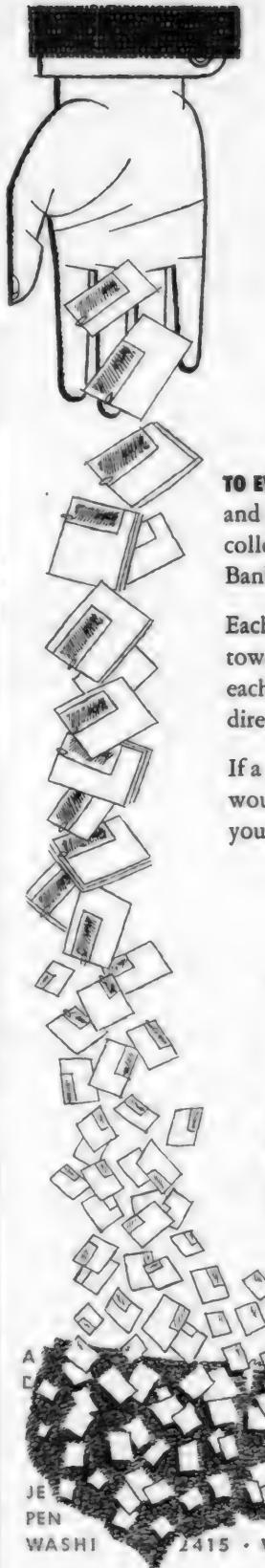
JOSEPH G. FISCHER has retired as first vice-president of the Marine Trust Company, Buffalo, and as vice-president and treasurer of the Marine Midland Corporation, service organization for the 19 Marine Midland banks. EDWARD C. GRUEN, vice-president and treasurer of Marine Midland Group, is his successor as treasurer of the corporation.

A. C. ACKERMAN, a director of Manufacturers National Bank, Troy, New York, and president of Made in America Foundation, Inc., talked on "Peace Through World Trade" at a United Nations American Public Relations Association panel at Lake Success.

W. L. HEMINGWAY, chairman, Mercantile-Commerce Bank and Trust Company, St. Louis, and Dunlap C. CLARK, president, Central Bank, Oakland, California, have been re-elected directors of the U. S. C. of C.

The Danvers (Massachusetts) Savings Bank is celebrating its 100th anniversary.

WILLIAM ALLAN MATHER, president of the Canadian Pacific Railway Company, is a new director of the Bank of Montreal.



161,965 Outgoing Collections in 1949

TO EVERY STATE of the Union...to correspondent and other banks...went 161,965 outgoing collections from Security-First National Bank in 1949.

Each collection went direct to a bank in the town or city on which the item was drawn... each one of them representing a profit—direct or indirect—for the receiving bank.

If a Pacific Coast correspondent connection would be useful to your bank, we invite you to open your account with us.

MANAGING COMMITTEE

George M. Wallace, Chairman
Chairman Board of Directors

James E. Shelton
President

Chester A. Rude
Chairman Executive Committee

L. W. Craig
Vice-President

C. T. Wienke
Vice-President

SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

Founded 1875

Number Collections Various States

ALABAMA, 1587 • CONNECTICUT, 1706
ARIZONA, 1349 • GEORGIA, 1708 • ILLINOIS,
9 • KANSAS, 1965 • KENTUCKY, 1687
7 • MASSACHUSETTS, 2866 • MICHIGAN,
OUI, 3769 • NEBRASKA, 1413 • NEW
/ • NORTH CAROLINA, 1524 • OHIO, 6373
SEE, 1611 • TEXAS, 5374 • VIRGINIA, 2186
2415 • WEST VIRGINIA, 1298 • WISCONSIN, 1933

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION • MEMBER FEDERAL RESERVE SYSTEM

Savings Deposits and Mortgage Loan Trends

(CONTINUED FROM PAGE 71)

siders $\frac{1}{4}$ of 1 percent of share funds as a minimum appropriation for the promotion of savings. That means that a \$10-million institution would spend \$25,000 a year in advertising and promotion. Have you ever heard of a \$10-million savings bank spending \$25,000 a year, or have you ever heard of a commercial bank with \$10-million of savings

spending anything like \$25,000 a year to promote its savings functions? It probably would not be necessary to spend as much as $\frac{1}{4}$ of 1 percent of our savings deposits, but we shall certainly have to spend more money and give more attention to this phase of our business if we are to maintain our position.

"The A.B.A. survey shows that the general trend of interest on savings is slightly upward. A great

many of the mutual savings banks have increased their rate as much as $\frac{1}{2}$ of 1 percent, so that many are now paying 2 percent, and a few an even higher rate. While the vast majority of all commercial banks throughout the country are still paying 1 percent, many are paying that rate on a higher amount. Where they paid 1 percent up to \$1,000, many are now paying 1 percent up to \$2,500 or \$5,000; and some are paying 1 percent on all savings."

In a discussion of the investment of savings funds by banks and insurance companies, Mr. Dunkerley said that while investment in bonds is important, real estate loans are their largest revenue producers; and that savings and loan associations invest nearly all of their employable funds in real estate loans.

9-Year Increase

"We compared the savings growth of these institutions between 1940 and 1949," he said. "What about their real estate loan portfolios during that same period? Mortgages in all banks increased from \$9.38-billion to \$18.0-billion, or almost doubled; in the savings and loan associations, the increase was from \$4-billion to \$11.7-billion, or almost treble. Mortgages held by insurance companies grew from \$5.9-billion to \$12.9-billion, or more than doubled. Against all savings deposits, banks have employed 32.7 percent in real estate loans; against all share accounts, savings and loan associations are loaned up to a little under 100 percent; and insurance companies hold 25 percent of their policy reserves in real estate loans. Thus, savings and loan associations must look either to new funds gathered from shareholders or to borrowing from Government agencies if further loans are to be made by them. Banks and insurance companies, on the other hand, have a long way yet to go before they would either reach their statutory limits for lending or exceed the voluntary limits set by themselves as constituting sound lending policies.

"If savings institutions approached an investment of 50 percent of their savings deposits in mortgage loans, and the mortgage terms and

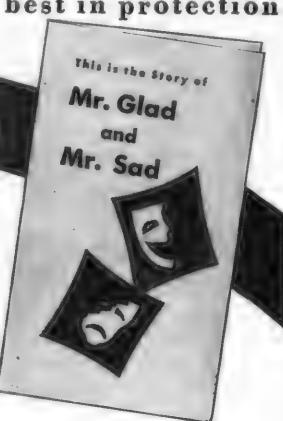
Worthwhile things deserve the best in protection

NEW FOLDER

for your **PROSPECTS**
showing them the story of
Mr. Glad and Mr. Sad . . .

When accidents happen
Don't be "Mr. Sad",
Because it's so easy
To be "Mr. Glad".

WRITE FOR YOUR SUPPLY of these
folders which dramatize the need
for accident insurance.



THE LONDON & LANCASHIRE GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

*The only Mutual Savings Bank in Minnesota
extends
SINCERE GREETINGS
to
THE AMERICAN INSTITUTE OF BANKING
on its Golden Anniversary*

Farmers & Mechanics Savings Bank

Minneapolis, Minnesota

Member Federal Deposit Insurance Corporation

Do you know...



a bride...



or a graduate...



or a new baby...



or a birthday girl?

Chances are you're trying to dream up the perfect gift for one of these lucky people!

And what gift could be more wonderful for any or all of them—than a crisp U.S. Savings Bond!

Remember U.S. Savings Bonds pay \$4 for every \$3 at the end of 10 years.

U.S. Savings Bonds do not lose their value if

they're lost, stolen or destroyed.

They can be turned into cash in case of emergency.

So, settle your gift problems at your bank or post office—with U.S. Savings Bonds!

And while you're at it—how about some for yourself! They're a wonderful boon to your peace of mind!

Automatic saving is sure saving—U.S. Savings Bonds



Contributed by this magazine in co-operation with the Magazine Publishers of America as a public service.



Barometer Reading

New England business, like its weather, is changeable and requires experience in reading the signs. For over 114 years this bank of "Outstanding Strength" has been in close touch with conditions in this section. This experience enables it to provide prompt action for correspondent banks, no matter how difficult or unusual the problem.

The National Shawmut Bank

40 Water Street, Boston

Member Federal Deposit Insurance Corporation

CAPITAL \$10,000,000

SURPLUS \$20,000,000



(CONTINUED FROM PAGE 124)

credit of the borrower were satisfactory, there would be about \$10-billion in potential credit for mortgage purposes available now—enough to absorb the probable increase in all mortgage loans required for 1950.

"This amount does not include new funds which would be available for mortgage placement each year, derived from the annual pay-off of loans already held. A recent check by the A.B.A. indicates that at the present time the annual mortgage pay-off in mutual savings banks is between 8 and 10 percent. Commercial banks, often requiring a more rapid amortization have an annual pay-off ranging from 10 percent to 12 percent. Replacement of these funds in mortgage loans would add more than \$1-billion more to the possible reservoir of funds for mortgage investment."

Average Rate About 4 1/2%

Mr. Dunkerley stated that the A.B.A. study revealed that interest rates on mortgage loans fall largely between 4 percent and 5 1/4 percent in all states and that the average rate for the country is approximately 4 1/2 percent. The lower rates are generally in effect in the cities.

"Most of our members feel that a down-payment of not less than 10 percent on the purchase of a home is a desirable precaution for both borrower and lender on veterans' loans," he added.

"Originating and holding mortgage loans as a permanent investment of the bank is a predominant characteristic, and secondary mortgage markets are not an active factor in most cases.

"The average amount of savings and time deposits held by commercial banks generally range from 10 percent to 50 percent of the total deposits, with higher ratios usually in the smaller commercial banks, in some of which savings deposits represent as high as 80 percent of all deposits.

"Activity service charges are widely in use with savings and time deposits of commercial banks, but rarely used in mutual savings banks. Their charges relate principally to a fee of from 10 cents to 25 cents for each withdrawal transaction in excess of two in one month or six in six months."

Your representative
in the Nation's
Capital . . .

AMERICAN SECURITY offers correspondents the services of a leading institution — your assurance of maximum efficiency and dependability.



American Security & TRUST COMPANY
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.
MEMBER FEDERAL RESERVE SYSTEM
DANIEL W. BELL, President

FOUNTAIN BRUSH

Hand-Made Quality

Scrubs - Washes - Rinses

HOUSES, WINDOWS, SCREENS, CARS, BOATS,
TRAILERS, ETC., IN ONE OPERATION!

All aluminum—rust proof. Finest Horsetail
mixture bristles 2 3/4" long—genuine
scratch proof rubber bumpers.

Money Back Guarantee. The Original Quality Fountain Brush.

Complete With 2 Foot Handle and Hose Nut . . .

\$4.95 Postpaid

ONLY BRUSH WITH

ALL THESE FEATURES.

Brush 6 inch diameter fitted with
aluminum handle to fit any garden hose.

Aluminum extensions for reaching upstairs
windows, etc. Brush elements replaceable. Send
check or money order or will ship C.O.D. plus postage.

2 foot—4 foot or 6 foot aluminum extensions with couplings—50c per foot

New 8x3 inch oblong brush with 4 ft. handle—\$6.95 P.P.

Postpaid

LITTLE WONDER, Dept. 125, 318 East 13th St., Kansas City, Mo.

Methods and Ideas

(CONTINUED FROM PAGE 36)

a safe deposit box, a suggestion to buy imprinted checks.

Is this sort of thing easy to do? You can't tell until you try. Write it as you'd talk it; be light, chatty, neighborly. Don't feel that you've got to write about banking only; cover your readers' interests as well as your own.

Bank Sponsors Women's Town Meeting

DETROIT TRUST COMPANY recently concluded a 13-week series of broadcasts, "Women's Town Meeting of Detroit," which was so successful that the bank plans a similar program for next fall.

The general purpose was to tell the story of business—particularly its financial aspects—to women. Most of the meetings were in the auditorium of WWJ, Detroit, and members of local women's clubs were invited to attend by groups. Discussion leaders were outstanding business and professional men and women; in addition to the principal speaker, the panel included two women.

The women's club having the highest percentage of their memberships present at the broadcast to which they were invited are to receive \$100 scholarships to be awarded by the clubs for educational purposes. Seven scholarships will be given, and are being presented by the bank to the club presidents in a ceremony scheduled for broadcast.

This program was an outgrowth of Detroit Trust Company's annual awards for the most attractive and interesting annual reports published

The Misses Anderson, age 4 and 5, wanted to take these chow puppies home from the bank's dog show



by Michigan corporations. Further development of this project is being carried forward by the schools of business administration at Wayne University and the University of Michigan.

"We have considered both of these programs merely on a public service basis," the bank explains, "and have not in any way attempted to sell our services at the meetings or broadcasts. In no way have we said anything about the banking business, but we have had the more objective view of attempting to save free enterprise in industry and business in general."

The average studio audience for the women's meetings was more than 450; the total attendance at the series exceeded 6,000.

Here's a New One

NORTHWESTERN NATIONAL BANK of Minneapolis recently had a dog show in the lobby.

It was sponsored by the Minne-

apolis Kennel Club, which simultaneously had its annual show in the city Auditorium. The canine display in the bank was changed daily so that as many breeds as possible could be shown. Emphasis was on puppies. A dachshund and springer spaniel pup were given away in a drawing.

Yes, thousands of people crowded the bank's street floor lobby every day of the week.

A City's Products

The MERIDEN (Connecticut) SAVINGS BANK, in window and lobby displays, has been calling the public's attention to the many products made in the city. Supplemented by newspaper and radio advertising, the program of exhibits has emphasized the general theme, "Made in Meriden" Makes Meriden."

Manufacturers posted notices of the displays on factory bulletin boards and printed leaflets to remind employees of the public demonstrations of their handiwork. Meriden is called "The Silver City," and the makers of silverware contributed a number of attractive displays; so did lamp and jewelry makers. At intervals the window and lobby spaces have been given over to the Red Cross, the local camera club, Girl Scouts, Cancer Society, and other groups, for special showings.

The program has been well worth while, says President L. A. Tobie, in promoting goodwill and civic mindedness. The bank has been widely praised for its enterprise.

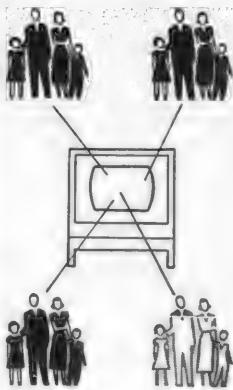
Birthday Candle Contest Popular

The RUTHERFORD (New Jersey) TRUST COMPANY built an effective



A Meriden Savings Bank lobby display

it adds up!



- 1 television set for each 3.7 families.
- 350,000 sets in daily operation.
- An investment of better than \$100,000,000.00.

Los Angeles County is big business!

Be represented by the bank that knows Los Angeles County today—and has been closely identified with its progress during the past 60 years.



CITIZENS
NATIONAL BANK
OF LOS ANGELES

5th & Spring Streets

35 Conveniently Located Branch Offices
Member Federal Deposit Insurance Corporation



STANDARD PAPER GOODS MFG. CO.
Worcester 8, Mass.

Trial Subscription to
BANKING'S NEWSLETTER
5 Months for \$1.00

40th anniversary program around a birthday candle.

About a month before the festive date, a 40-inch taper was put in the window and the public was invited to guess how long it would burn. Ten prizes of savings accounts, ranging from \$5 to \$100, were offered for the closest estimates. Entry blanks and a ballot box were provided in the lobby.

The candle was lighted by President Charles A. Van Winkle during the open house celebration on the anniversary, and was permitted to burn from 7:45 A.M. to 7 P.M. each business day. It burned out after 171 hours, 21 minutes, and 26 seconds. The best guess was only 15 minutes 26 seconds from the exact time.

Each of the 3,300 contestants received a letter from Mr. Van Winkle, reporting the candle's life, thanking him for taking part, and inviting him to visit the bank again.

"It would be impossible to describe the friendly interest and goodwill created by our anniversary program," the bank says. "Customers, non-customers, and friends commented very favorably. We received some letters of appreciation and many telephone calls. We feel the program was worth all the detail and work involved."

A Post-Meeting Report

BANKERS TRUST COMPANY of New York distributed to the stockholders, with their first quarter dividend checks, its first "post-meeting report," in line with suggestions made at the last annual meeting.

The leaflet, styled to resemble a diminutive copy of the annual report, included a review of salient points discussed at the meeting and a chart of a survey made among the stockholders about the yearly report. The results indicated that a substantial majority of the bank's share owners agreed the report was meeting their needs.

In Brief

FIDELITY NATIONAL BANK of Baton Rouge has puddle-proofed the city's *Daily Journal*. The newspaper is delivered on rainy days in a water-resistant envelope bearing this message: "Your Journal clean and dry made possible by Fidelity National Bank." The bank's main office is pictured and its three locations are listed.



President Van Winkle of Rutherford Trust Company lighting the birthday candle

Thanks to the FIRST NATIONAL BANK IN DALLAS, which provided the tickets, 15,000 junior and senior high school children of that city saw the opening game of the 1950 Texas League season.

EAST RIVER SAVINGS BANK of New York distributes a checklist for safe deposit box holders. It's a reminder of nearly 30 items that should be protected.

Displays

(CONTINUED FROM PAGE 39)

assembled, there should always be an "editorial" tie-in so that the objective of focusing the most favorable attention on the banking industry in general and the local bank in particular will not be lost sight of. Typical copy can be:

"Serving America safely and courageously through wars, panics, booms, depressions—and sharing in and contributing materially to the development and growth of our great nation—is the outstanding record of achievement of our country's banks. As a member of the American Bankers Association, we proudly acknowledge the accomplishments of the vital industry in which we serve and, as in the past, we pledge our resources to assist in the planning and continuation of our nation's growth and prosperity."

Many public relations angles can be developed in connection with these anniversary exhibits. To mention one, local school children can be invited to write essays on the material on exhibition, thereby pointing up the bank's local record of achievement.



A big Bank geared for speed!

How the Continental Illinois collects cash items—FAST!

- 1 Mail is picked up as it reaches the post office just across Clark street, whatever the time—day and night.
- 2 Our seasoned proving staff processes cash items continuously through the night as soon as they are received—often saving a full day of collection time.
- 3 All out-of-town checks are microfilmed at the rate of thousands an hour. If an occasional check is lost, a photographic copy can be put through at once.
- 4 Air mail, air express, early trains and fast trains are used to convert every item into usable funds at the earliest possible moment.
- 5 As for local checks—with the Clearing House just across LaSalle street—we have utmost "leeway" for including last minute items.

*IN OTHER WORDS,
your own fast and efficient sending
of cash items is never wasted here—
we take up where you leave off, with
competent staff, modern facilities,
and advanced techniques.*

TRY US!

Continental Illinois National Bank and Trust Company of Chicago

LOCK BOX H, CHICAGO 90, ILLINOIS

Member Federal Deposit Insurance Corporation

Forms That Help Get Equipment Loans

(CONTINUED FROM PAGE 58)

to do all of the paper work. The other plan tells him what to do when he does not want to fill in the forms himself.

The fact that many of the dealers served by us are not located in Greencastle has perhaps made Plan No. 1 even more popular than Plan No. 2. In proportion to our ability to teach dealers how to operate Plan No. 1 and to encourage them to use it, we reduce our own work at the time each loan is made. The

dealer's instructions for handling these two plans (as printed in the folder) are as follows:

Plan No. 1

For prompt action, we need the following forms legibly prepared:

(A) Conditional sale contract signed by purchaser(s) and dealer showing:

(1) Manufacturer's name, model number of machine, and description of machine and attachments if such attachments are not standard equipment.

(2) Total purchase price.

(3) Actual cash down-payment and/or trade-in allowance.

(4) Unpaid balance.

(5) Dates on which instalments will mature. Maturity dates usually will have to be determined after taking property statements which will indicate the times at which purchaser will have income from which to make payments. After the proper maturity dates have been set, the actual amounts of the instalments can be figured readily by following the instructions on the time plan tables . . .

(6) Show complete and correct mail address of purchaser and location in distance and direction from nearest town.

(7) Where real estate is in joint title, obtain wife's signature on conditional sale contract and note.

(8) Execute assignment on reverse side of conditional sale contract.

(B) Property statement of purchaser(s) giving *complete* and *accurate* information on assets and liabilities.

(1) Take ample time to get all information asked for on statement.

(2) If more than one purchaser, get statement from each.

(3) Show actual value of assets. In case of partnership assets, describe and show value of portion owned by purchaser (such as, one-half of 1,000 bushels of corn \$—).

(4) Include all liabilities—if none, write "none" in dollar column. Review all possible liabilities thoroughly.

(C) Note signed by purchaser(s).

(1) Date of note and date of conditional sale contract must be the same.

(2) Both note and conditional

sale contract must carry same signatures executed in identical manner.

(3) Wife should sign her own name rather than using her husband's name prefixed by "Mrs." (Example: Esther M. Doe, rather than Mrs. John Doe.)

(4) Get all signatures in ink.

(5) Execute endorsement "without recourse" on reverse side of note.

(6) *No deficit or side notes to be taken by dealer.*

Plan No. 2

For prompt action, we need the following forms legibly prepared:

(A) Manufacturer's standard order form signed by purchaser(s) and dealer showing information as outlined for conditional sale contract under "A," in Plan 1.

(B) Property statement following procedure as in "B" of Plan 1.

(C) Upon receipt of the order and property statement, if consideration is favorable, the bank will prepare the note and conditional sale contract and send it to you completely filled out except for the customer's signature. After obtaining proper signatures, return all papers to us promptly for remittance.

We have labeled this package: "Central National's Profit-Pac." We talk about profits to the dealer when we call on him to get him started with this routine. Occasionally, of course, a new dealer comes to us as a result of having talked with one of our other customers.

Certainly, it is easy to see that this plan has proved to be very profitable to Central National and is easy to use.

Financial Statement

While the financial statement that we use is somewhat standard, I should like to emphasize one portion of it to which we call attention by labeling it "Important." This section has the heading: "Income Payment Schedule for Next 12 Months." Across the top are spaces for each month of the year and in each monthly column three spaces for entries: (1) The source of income by months; (2) the estimated amount of income by months; and (3) the available amount for payment on the credit being established.

By using this schedule, the farmer is enabled to plan his schedule of payments intelligently.



Arizona FACTS & FIGURES

If there's anything you want to know about Arizona, we shall be glad to help you. Our research department has—or will get—the information. Your request will be given prompt, personal attention.

SERVING ALL ARIZONA
VALLEY NATIONAL BANK
29 FRIENDLY CONVENIENT OFFICES
Home Office — Phoenix, Arizona

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

This is the KLYMAX Coin Bank



one of the many popular savings devices made by
BANTHrico INDUSTRIES, INC.
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CHICAGO 6, ILL.
Write for catalog and price list.

Complete Data On Every Coin Ever Minted By The U. S. A.

SELL'S UNITED STATES COIN BOOK, by Jacques Del Monte
THIS amazing coin collectors guide is prepared especially for those who want complete information about every phase of collecting, selling and evaluating coins. Contains clear and thorough explanations on The Value of United States Coins, What Makes a Coin Valuable? How To Sell Coins, Speculating in Coins, A Short History of Coins. And many others. Over 150 illustrations. Order Now, Only \$1.50.

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Dept. B5, 386 4th Ave., New York 18, N. Y.



Giving FULL consideration to the customer's needs

When talking with a loan-applicant, the interviewers in your Personal Loan Department naturally seek the answer to this question: Does the customer really need the credit?

If the answer is YES, then he and his family certainly need the protection of Insured Payments.

Providing that protection is an important factor in rounding-out the service of your Personal Loan Department.

Today, the main question regarding life-coverage is not whether to provide it, but rather "What company offers the most practical plan?" In the opinion of more than 2,500 of America's leading financial institutions, the answer to that question is "Old Republic."

On request, we will gladly send complete information on rates and coverage.

OLD REPUBLIC CREDIT LIFE INSURANCE COMPANY

James H. Jarrell, President

Home Office: Chicago, Illinois

Regional Offices: Birmingham, Alabama • Denver, Colorado • Washington, D. C.

OLD REPUBLIC

SPECIALIZED INSURANCE SERVICE SAFEGUARDING CONSUMER CREDIT



**Your Service Knows No Boundaries
when you sell**

NATIONAL CITY BANK TRAVELERS CHECKS

You actually extend your service . . . across the country . . . around the world . . . when you sell your customers National City Bank Travelers Checks. For wherever they go, they will carry the world's safest form of travel currency . . . and a feeling of good will towards your bank.

You will find that clients appreciate advice to buy National City Bank Travelers Checks when they withdraw funds for travel. Just a reminder will frequently result in transactions that are mutually profitable . . . security for your customer . . . increased earnings for your bank. Remember, you retain all the selling commission on the checks you sell — 3/4 of 1%.

**THE
NATIONAL CITY BANK
OF NEW YORK**

First in World Wide Banking

Head Office: 55 Wall Street, New York 15, N. Y.

Branches and Correspondent Banks
In every Commercially Important City in the World
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Business Aids

EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as an endorsement.

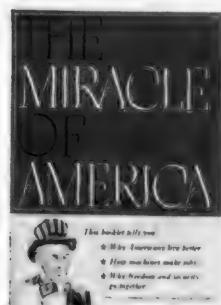


CHANGE "GO BY" TO "GO BUY" WITH A VISUAL FRONT an 8-page folder with illustrations of the use of all glass store fronts to fit narrow frontage middle of the block, corner locations, etc. The folder discusses the reasons that a view of a store interior from the sidewalk leads to increased patronage and points out why glass is a necessary material in

and store design.

Contains useful material for bank-businessmen meetings where increased profits as a result of store modernization might be discussed.

Also available: Blue Ridge Aklo Glass, an 8-page illustrated booklet describing the use of this material in offices and factories to provide cooler interiors and easy, better seeing. Write to *Libbey-Owens-Ford Glass Company, Toledo 3, Ohio*.



THE MIRACLE OF AMERICA, a 19-page illustrated booklet which discusses in easy, narrative form "Why Americans Live Better," "How Machines Make Jobs," "Why Freedom and Security Go Together." The booklet contains charts showing the high and increasing productivity of American Labor and the standards of living in some of the world's leading countries. The booklet concludes with a 10-point platform as part of a campaign for better understanding of the American economic system. Send for free copy and prices in quantity lots. Write *The Advertising Council, Inc., 25 West 45 Street, New York 19, N. Y.*

AMERICAN HOME STUDY PLANS, a series of 15 helpful house plans, each in the form of a complete blueprint. While these prints are not actual working drawings, they will help the prospective home owner talk intelligently to both his banker and contractor. The 15 houses were selected for outstanding excellence of design and represent various popular styles of home construction. The plans are available singly or as a complete set at a special rate to bankers for use in their home planning libraries. For further information, write *American Home Magazine Corporation, 444 Madison Avenue, New York 22, N. Y.*



AIR-CONDITIONING UNITS in 27 sizes and types not previously offered, and ranging from room air-conditioners to "system weathermakers" in capacities up to 75 tons, have been announced by the Carrier Corporation of Syracuse, N. Y. The units have been completely redesigned to include better means of cooling and humidity control, unusually quiet operation and

improved appearance. A cooling tower, developed especially to conserve water in self-contained units, is now available in four models from 5- to 15-ton capacity.



New York 5, N. Y.



CELO CHARTS, an interesting series of eight-page folders giving elevations, floor plans, area dimensions and specifications for homes designed for economical construction. Decorating suggestions, including ideas for draperies, floor covering and furniture, are listed, as well as considerations in buying a lot, building and landscaping.

Complete set of eight charts available for bank home

planning libraries without charge, and at 10 cents each when ordered in quantity. Working plans and list of materials also available. Write *Celotex Corporation, 120 S. LaSalle Street, Chicago 3, Illinois.*

WHAT EVERYBODY OUGHT TO KNOW . . . ABOUT THIS STOCK AND BOND BUSINESS, a four-page review in easy-to-understand style, discusses stocks as representing ownership of a company, bonds, dividends, bull and bear markets, the stock exchange, etc.

This folder would be helpful to bank customers seeking to become part owners of American business and to invest in continued growth of the American way of life. Write *Merrill, Lynch, Pierce, Fenner and Beane, 70 Pine Street, New York 5, N. Y.*

New Books

Bank Public Relations

PRACTICAL PUBLIC RELATIONS IN BANKING. By William T. Dunn. Bankers Publishing Company, Cambridge, Massachusetts. 183 pp. \$3.75.

HERE, in book form, is the thesis Mr. Dunn, assistant cashier of the Bank of America, San Francisco, prepared in partial fulfillment of graduation requirements at The Graduate School of Banking.

As the title indicates, emphasis is on the practical, although the volume is more than a manual and the "why" is not neglected nor the "how." The author points out that public relations are the total of the many acts that comprise the business of banking; whether the result is good or bad depends upon how the bank performs those acts. He does not approve of occasional goodwill-building campaigns, holding that such activities don't change, permanently or materially, the average person's opinion.

The book discusses the compo-

nents of "public" in public relations: customers, stockholders, group leaders, other banks, staff. In a helpful chapter on materials, Mr. Dunn goes into detail on such points as the bank's physical layout, management policies, services, and (again) personnel—for public relations start at home, with employee relations.

Another chapter, "The Avenues of Public Relations," covers nearly a score of channels through which the bank meets the public. In another, the place of psychology is considered; Mr. Dunn believes the possibilities here have hardly been scratched by American banking. Approaches, methods and techniques in public relations, and internal organization, are other subjects taken up.

★ ★ ★

BANQUE DE BRUXELLES



Founded in 1821 is glad to offer quality cooperation
TO AMERICAN BANKS
INTERESTED IN FOREIGN
TRADE WITH BELGIUM
REPRESENTATIVE FOR NORTHERN AMERICA
J. VAN AUBEL
(ROOM 1742) 37, WALL STREET, NEW YORK 5

In Australia and New Zealand



With total assets of over \$275,000,000 and with over 800 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, this Bank is better equipped to facilitate trade with these countries than any other institution there.

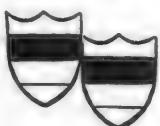
BANK OF NEW SOUTH WALES

British & Foreign Department
Sydney, Australia.

MUTUAL INVESTMENT FUNDS MANAGED

BY

E. W. AXE & CO., INC.



THE
AXE-HOUGHTON
FUNDS

Prospectus on request from your

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THE UNITED STATES AND THE RESTORATION OF WORLD TRADE. By William Adams Brown, Jr., Brookings Institution, Washington, D. C. 553 pp. \$5. An analysis and appraisal of the International Trade Organization charter and the general agreement on tariffs and trade. The book gives a detailed account of their organization, explains their provisions, and indicates their relationships.

PREPARATION AND CERTIFICATION OF FINANCIAL STATEMENTS. By B. Bernard Greidinger. Ronald Press, New York. 383 pp. \$6. Primarily a college text, this book by the professor of accounting at the New York University Graduate School of Business Administration is also intended as a reference work for public accountants, investment bankers, security analysts, and attorneys, among others.

MAKING INVENTIONS PAY. By Joseph C. Keeley, McGraw-Hill Book Company, New York. 246 pp. \$2.95. "A practical guide to selling, protecting, manufacturing and marketing your inventions."

A GUIDE FOR RETAIL ADVERTISING AND SELLING. Association of Better Business Bureaus, Inc., New York. 170 pp. \$1. The fourth edition of a guide and reference to fair practice standards and definitions for retail advertising and selling, with an index of trade terms, standards, descriptions, etc.

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EDITORIAL

THE CONDITION OF BUSINESS

By WILLIAM R. KUHNS

The Outlook. The "better living" industry is the mainstay of present and prospective high business activity. This includes producers of housing, modern kitchen and basement equipment, all the comforts of home, plus new cars for new garages.

Aside from the fact that retail buying has had a tendency to swing from soft to hard goods, and the oncoming supply of labor seems to be outrunning the demand, unfavorable news is hard to find.

Love

Coincident with the greatest boom in our history, business is presented with a public relations problem of unprecedented magnitude. After years of earnest and expensive effort to improve relations with the public and with government, business finds itself today in danger of being loved to death.

Seldom has business enjoyed such favorable editorial and oratorical treatment, or a government seemed so attentive and eager to do those little thoughtful things which mean, oh, so much, such as guaranteeing prices, markets, credit and everything. Certainly there never was a time when business could be so sure that one inflationary kiss would be followed by another and another. Even when the Government administers a spanking it is all done for business' own good.

Of course, the art of public relations is young, as professions go, figuring about three decades since the late Ivy Lee showed how to do it. And, to be entirely accurate, public relations had little to do with bringing about the embarrassing situation which it is now called upon to correct. The chief factor in the global socializing trend which is tying business and government together was the World War which began in 1914 and never ended.

Peril

Voices of considerable authority in the business world are being raised in warning.

Benjamin Fairless, president of the United States Steel Corporation, said recently:

"In my opinion, our American economic system is in deadlier peril today than it has ever been in my lifetime. I say that knowing that it has always defended itself successfully against its enemies abroad; but I honestly do not know how it can be protected against its self-styled 'friends' in Washington who would literally hack it to death on the pretext of saving its immortal soul. I am convinced that if these misguided planners and politically-ambitious officeholders have their way, three of our most precious liberties—freedom of opportunity, freedom of initiative, and freedom of enterprise, will vanish from this earth . . .

"Our American system of Free Competitive Enterprise is the only one left in the world that is not con-

trolled by power-hungry politicians; and whether you call it the Square Deal, the New Deal or just plain Federal Regulation, the fact remains that once the dead hand of politics gets its convulsive grip on American business and industry, free competition will be strangled, and our economic system will be no different—and no more successful—than those noble experiments which are crumbling into dust in Europe."

Another voice lately protesting against "too much government" was that of Bernard Baruch who said:

"Inflation has not been the result of do-nothing economics. It has come from Government-managed economics, from Government favoritism to certain pressure groups, in disregard of the national interest . . .

"Under political pressure and only after much costly delay, a piecemeal price control plan was passed. This law legalized inflation. It allowed farm prices to rise. It left wages free.

"When this broke down, the Administration attempted to 'hold the line' with an over-all ceiling, as had originally been recommended. But then the damage had been done. With the war's end, we scuttled and ran. The process of inflation by pressure groups was given whirl after whirl—with the end not yet in sight."

Elliott V. Bell, former New York State banking commissioner and now chairman of the executive committee of McGraw-Hill, summed it all up succinctly when he told the convention of the New Jersey Bankers Association that people were more fearful of another great depression than of another great war. The two things, of course, are closely tied together because the threat of war is the chief inflationary stimulus.

Intentions

The fact that Government feels "that way" about business is evident in many utterances and deeds of high officials. For example, President Truman said it this way in the course of his recent tour:

"We have learned that in a dynamic, highly industrialized economy such as ours, the Federal Government must use its strength and resources to prevent violent cycles of boom and bust. We learned during the period from 1929 to 1933 what happens if the Government stands on the side-lines—with men in high places merely smiling cheerfully and saying everything is going to be all right. We have learned since 1933 that a government which takes positive action can supplement and support the efforts of private business in such a way as to keep our economy steadily expanding."

There is a voice that should be louder than all the others and it is still to be heard from. It includes the more than 75-million owners of Treasury E Bonds, once they discover that they have rights as shareholders to speak up and say how much the Government should spend to "supplement and support" private business.

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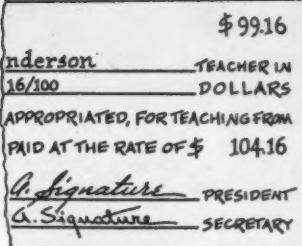
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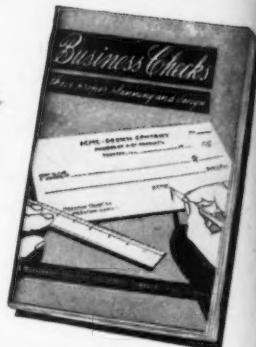
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